NEB-STAR | NEW EUROPEAN BAUHAUS STAVANGER

NEB-STAR Financial and Partnership Models

Solution Booklet

This project has received funding from the European Union's Horizon Europe research and innovation programme under Grant Agreement No. 101079952.

Document information

NEB-STAR Solution Booklet

Authors
Steinar Meling (Nordic Edge), Han Vandevyvere (NTNU/VITO-EnergyVille), Nohemi Ramirez Aranda (TU Delft), Arjan van Timmeren (TU Delft)

Contributors
Gregor van Lit, Kasper Benneker, Pieter van der Straaten (City of Utrecht), Michael Peeters (TU Delft), Jorg de Jonge (NLV Real Estate Investment), Walter Bokern (Springco)

Lead Beneficiary
Nordic Edge

Contributing Beneficiaries
TU Delft, City of Utrecht, NTNU, Stavanger Kommune, Smedvig, Pedersgata Utvikling, Stavanger Sentrum AS (STAS), Veni AS (VENI)

Design & Editing
Martin Helliesen Sørdal, Marleen Laschet and Annemie Wyckmans

Project Coordinator
Annemie Wyckmans, Norwegian University of Science and Technology

Project
NEB-STAR – New European Bauhaus Stavanger

Work Package
WP2 - Testbed 1: Pedersgata and WP3 - Testbed 2: Site 4016

Project Duration
1 October 2022 - 30 September 2025

Dissemination Level
PU-Public

Document version
v.01

Publication Date
30 November 2025

Cover Photos
Front: Jammerjam film. Photographer: Moxey
Back: Utrecht Park in the Fall. Photographer: Siri Pedersen

ISBN
978-82-694309-1-2

Article 17.3 Disclaimer:
Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

NEB-STAR Financial and Partnership Models

Solution Booklet

A quick introduction

Executive Summary

The New European Bauhaus (NEB) initiative, launched by the European Commission, promotes neighbourhoods that are sustainable, inclusive, and aesthetically engaging. NEB-STAR is one of six EU-funded lighthouse projects that aim to translate NEB values and principles into practice by testing innovative governance and financing models for urban transformation.

This solution booklet describes the framework for NEB-STAR's financial and partnership models. It evaluates both achievements and challenges, offering recommendations based on real-world experiences and international collaboration. The focus lies on two dimensions. First, the application of financial mechanisms such as public-private partnerships, social impact bonds, and tokenisation. Second, the development of partnership models that align municipal, private, and community interests for long-term value creation.

The solution booklet complements the deliverables on financial and partnership models in two demonstration sites in Stavanger, Norway: Pedersgata[1], a culturally diverse street undergoing rapid change, and Site 4016[2], a former industrial area being redeveloped into a regional green business cluster. Twinning Cities Utrecht and Prague engage in mutual learning processes, exchanging insights, methodologies, and best practices to help ensure that the solutions developed are scalable and adaptable across different European contexts. Utrecht contributes expertise in integrating sustainable finance into public policy through blended capital models. Prague brings insights from circular economy strategies and the adaptive reuse of buildings, linking heritage preservation with sustainability goals. These partnerships help test the adaptability of strategies across diverse urban contexts.

A central challenge addressed in NEB-STAR is the lack of effective partnerships that balance stakeholder interests. Existing public-private collaborations often fail to incorporate community participation or long-term sustainability objectives. NEB-STAR responds by piloting models that integrate financial viability with broad social value.

The methodology is multi-method and iterative. A narrative literature review set the foundation, followed by stakeholder interviews to gather contextual insights. Thematic workshops helped co-create possible solutions, while case-based analysis at the Stavanger sites provided empirical testing. Feedback loops involving stakeholders in Stavanger and Delft helped refine the models, ensuring both relevance and robustness.

Findings show that financial innovation is promising but challenging. Blended finance and public-private-people partnerships offer potential, yet require long-term commitment, trust-building, and improved data availability. Some frameworks remain conceptual, needing further development before wider application. The limited project duration also restricted testing of long-term mechanisms and relationship-building among stakeholders.

This report offers a starting point rather than a definitive solution. It is complemented by two detailed reports on Pedersgata and Site 4016, which present site-specific analyses. A financial and partnership matrix compiles key lessons and enables structured comparison. NEB-STAR demonstrates that meaningful urban transformation is possible when financial tools are combined with inclusive governance and adapted to local conditions. Ongoing collaboration and further refinement are necessary to fully realise and scale the proposed models across Europe.

Agile piloting workshop at Site 4016 in Stavanger, with the *Æra* strategic innovation consultancy.

Photographer: Ingjerd Jevnaker Straand

[1] https://nebstar.eu/reports/d2-5-financial-and-partnership-models-for-pedersgata/

[2] https://nebstar.eu/reports/d3-5-financial-and-partnership-models-for-site-4016/

Contents

Chapter 01

Introduction

The New European Bauhaus (NEB), launched by the European Commission, promotes a future where neighbourhoods are sustainable, inclusive, and aesthetically engaging. NEB-STAR is one of six lighthouse demonstrator projects funded by Horizon Europe, under the EU Mission on Climate-Neutral and Smart Cities, to translate NEB values and principles into practice. Among those is the content of this solution booklet which tests innovative models for financing and governing urban transformation. NEB-STAR is anchored in Stavanger, Norway, with Utrecht and Prague as European Twinning Cities.

In Stavanger, NEB-STAR has 2 primary testbeds:

Pedersgata – a culturally diverse and historically significant street undergoing rapid change. Through NEB-STAR, we have explored how financial and partnership models can support inclusive urban regeneration, enabling local businesses and residents to participate in and benefit from development. The aim is to reduce risks of displacement and commercial gentrification by fostering co-investment mechanisms and equitable value distribution.

Site 4016 – redeveloping a former industrial area into a regional business cluster for the construction industry. We have tested scalable models for blended finance, long-term urban value creation, and public-private collaboration. We focus on aligning private sector investments with municipal objectives and NEB values and principles to ensure that the developments serve broader social and environmental goals.

NEB-STAR works closely with its twinning cities:

Utrecht (The Netherlands) offers experience in embedding sustainability-focused financial tools into municipal policies, including impact investment and public-private partnerships that mobilise both public and private capital for transformative projects.

Prague (Czech Republic) contributes with insights from its circular economy initiatives and experience in financing the adaptive reuse of buildings. The city focuses on aligning cultural heritage preservation with sustainable urban development through innovative real estate financing models.

These collaborations allow NEB-STAR to build upon the NEB Investment Guidelines[3] as well as assess the transferability of financial and partnership strategies across diverse European contexts.

[3] https://new-european-bauhaus.europa.eu/tools-and-resources/neb-investment-guidelines_en

View over Pedersgata, Stavanger.
Photographer: Odd Vinje

Problem Statement

A core challenge in NEB-STAR is the fragmentation of urban development stakeholders and the lack of effective partnership models that balance municipal, private, and community interests. Traditional public-private partnerships (PPPs) focus primarily on risk-sharing in infrastructure projects but often struggle to incorporate community-driven urban development and sustainability principles. NEB-STAR aims to explore and test alternative partnership models where municipalities, private investors, property developers, and community organisations co-develop frameworks that balance financial returns with long-term urban value creation.

Aim, Scope and Limitations

The purpose of this solution booklet is to document and analyse the work conducted in NEB-STAR related to financing and partnership models, assessing achievements and challenges alike. It presents findings from the project's testbeds and stakeholder engagement with the goal of providing lessons learned and recommendations for future urban transformation initiatives.

This solution booklet focuses on two key areas:

1. Financial models – how innovative financial mechanisms, such as social impact bonds, public-private partnerships, and tokenisation, can support sustainable urban development.
2. Partnership models – how multi-stakeholder collaboration can drive urban transformation, identifying potential frameworks for public-private-people partnerships (PPPPs).

The analysis is based on findings from the Pedersgata and Site 4016 testbeds, in addition to insights from Prague and Utrecht, and from discussions with key stakeholders, including municipal representatives, property developers, and financial actors.

Despite NEB-STAR's collaborative platform and multi-method approach, several limitations must be acknowledged:

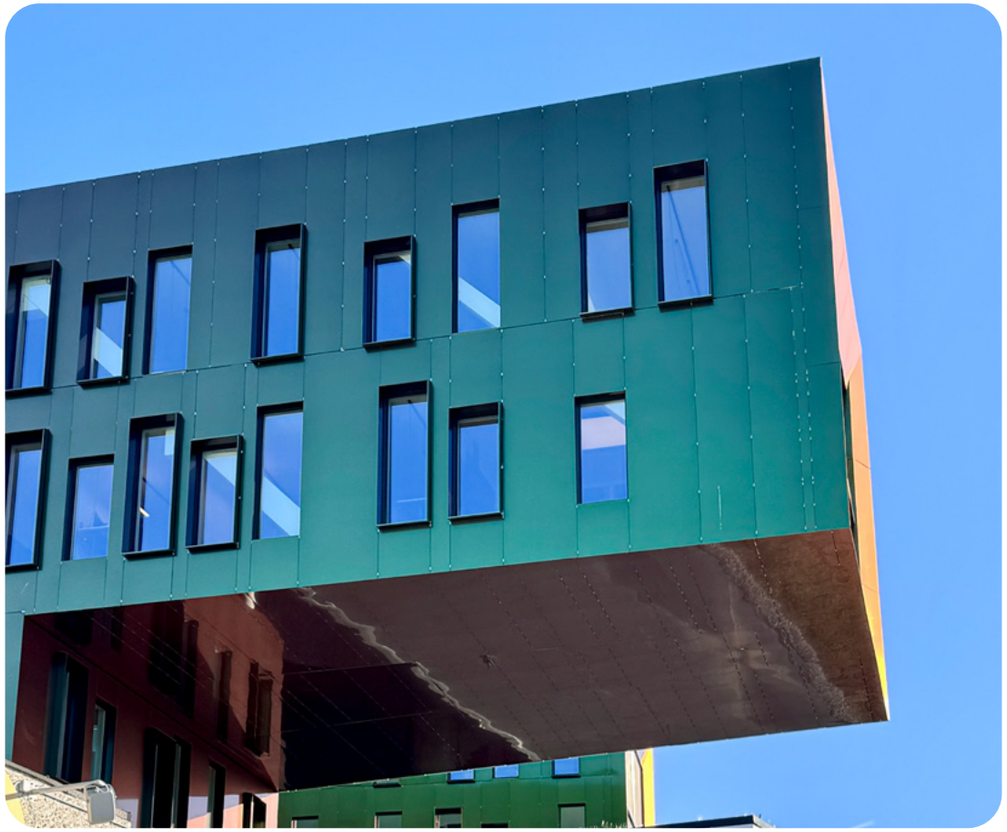
- Incomplete development of partnership frameworks – the inherent complexity of urban transformation processes, combined with the project's short timeframe, has limited full-scale implementation and validation of proposed partnership models. While preliminary dialogues and conceptual models have been established, these frameworks remain largely theoretical and require additional development, pilot testing and refinement before they can be reliably scaled or replicated across European cities.

- Time constraints – NEB-STAR's three-year project window (October 2022 - September 2025) provides limited ability to test long-term financing mechanisms in real contexts. Establishing trust and shared competencies among diverse stakeholders – public entities, private sector representatives, academics, and civil society – is inherently time intensive and cannot be rushed. As a result, some insights remain based on short-term observations rather than a longitudinal analysis of outcomes.

- Data availability – some financial projections and cost-benefit analyses rely on preliminary research or limited datasets. Although these data constraints have not undermined the core findings, they do underscore the need for more comprehensive and robust financial modelling. Future efforts should integrate expanded datasets, longitudinal metrics, and real-time monitoring to validate or refine initial assumptions.

Considering these limitations, the report's recommendations and proposed model should be viewed as a preliminary roadmap rather than a definitive solution. Ongoing collaboration, extended timelines, and broader data sources will be essential for advancing the partnership frameworks, financing mechanisms, and governance approaches outlined in this report.

The first workshop about “Byggeplassen” at Site 4016.
Photographer: Siri Pedersen.



ARK building at Site 4016, Stavanger. Photographer: Siri Pedersen

Methodology

Approach to Developing Financial & Partnership Models in NEB-STAR

The development of financing and partnership models within NEB-STAR is based on a structured, multi-method process that integrates rigorous research traditions in sustainable urban finance and participatory development. This approach is, aside from being aligned with NEB values and principles, designed to be both inclusive and empirically sound, offering robust insights into real-world urban contexts. The framework comprises four interlinked components:

1 **Narrative literature review** – This initial step involves a comprehensive review of existing financial models, best practices, case studies in sustainable urban finance, and innovative partnership approaches. The objective is to establish a mixed foundation (both empirical and theoretical) for the study by identifying recurring barriers and enabling factors relevant to sustainable urban finance. The narrative review method, rooted in a more traditional scholarly approach, emphasises interpretative analysis and critical discussion of the literature, rather than adhering to rigid methodological protocols typically associated with systematic reviews.

2 **Stakeholder Interviews** – Semi-structured interviews with partners and key actors – city officials, private investors, local communities – yield context-specific knowledge (Clark et al., 2021). Semi-structured or unstructured interviews offer the possibility for the participants to raise topics that the researcher did not think of in advance (Greene et al., 2013). Given the explorative nature of the topic at hand, this methodology facilitates a nuanced understanding of needs, challenges, and opportunities across multiple perspectives.

3 **Thematic Workshops** – Facilitating workshops draws on co-creation methods and participatory design principles (Steen, 2011) to promote dialogue among public and private stakeholders. These sessions help co-create potential solutions, integrating stakeholder experiences with evidence-based insights.

4 **Case-Based Analysis** – Real-world testbeds, such as Site 4016 and Pedersgata, function as living laboratories, allowing the proposed financing and partnership models to be refined and validated (Yin, 2018). Concrete examples in real-world urban settings illuminate the interplay between governance structures, funding mechanisms, and urban morphology.

Rather than applying these methods in isolation, NEB-STAR weaves them into an iterative analytical cycle. Insights from the literature review shape stakeholder interviews whose findings inform the focus of thematic workshops. Outcomes of these workshops guide case-based analyses, which in turn supply empirical data to be further examined with AI-assisted techniques. Feedback loops between these components then refine the initial literature-based framework, ensuring that each method's strengths reinforce and feed back into the other methodologies. By integrating qualitative and quantitative data and maintaining continuous stakeholder engagement, this multi-method approach ensures that the resulting financing and partnership models are robust, context-sensitive, and readily transferable to different urban environments.

Chapter 01

Data Collection and Validation

Building on the multi-method framework outlined above, data collection and validation for this report rely on four main sources:

1 **Findings from the NEB-STAR testbeds** (Site 4016, Pedersgata and key references from Utrecht and other relevant Dutch area developments such as *Oostflank, Haarlemmermeer, and Amsterdam-Osdorp*) offer concrete insights into the novelty and effectiveness of financing and partnership models, enabling an in-depth exploration and validation of site-specific conditions for theoretical models.

2 **Stakeholder dialogues** including municipalities, property developers, investors and private residents provide diverse perspectives on financial mechanisms and partnership models. These capture both technical expertise and community needs, ensuring the findings are grounded in everyday realities.

3 **Comparative analysis of European financing and partnership models** to reveal best practices and potential pitfalls through benchmarking the testbed findings against broader regional experiences.

4 **Iterative refinement:** throughout the research process, results have been repeatedly assessed and refined in partnership with key stakeholders. Feedback loops, comprising discussion sessions in Stavanger and Delft, follow-up interviews, and validation sessions ensure that models remain both theoretically robust and practically viable.

Together, they ensure that the report findings and recommendations are substantiated by qualitative and quantitative data, validated in actual urban settings, and strengthened through stakeholder collaboration. The evidence-based process presented in this report thus increases both the practical applicability and the legitimacy of the proposed financing and partnership models.

Rogaland Art Centre.
Photographer: Andreas Amdal Østrem

Guided tour in Pedersgata, agile piloting test competition. Graffiti. Photographer: Siri Pedersen.

Chapter 02

Challenges in Financing and Partnering for Sustainable Urban Development

02

The Capital Market's Inability to Value NEB

The financial sector plays a pivotal role in enabling sustainable urban development. However, capital markets are struggling to properly recognise the values underlying the New European Bauhaus (NEB): sustainability, aesthetics, and inclusiveness. These values do not fit within traditional investment frameworks which prioritise short-term, measurable financial returns. This misalignment presents significant barriers for financing projects that create long-term social, cultural and environmental benefits.

This is also at play in Stavanger with its two NEB-STAR testbeds. For example in *Svankevigå*, where developers *OBOS* and *Nordr* initially promoted an urban property development rich in social activity and creative enterprises, such as *Storhaug Snekkerverksted* and *IMIR*. However, as plans for large-scale construction are unfolding, precisely these actors are being displaced, highlighting the gap between aspirational urban narratives and the economic realities of such developments. The difficulty in quantifying the long-term benefits of such communities often leads to their marginalisation despite their role in fostering vibrant and inclusive neighbourhoods. Similar examples explored in NEB-STAR are *Pådriv* and *Byauk*. *Pådriv Stavanger* is a partnership for sustainable and climate-friendly development of Hillevåg with the objective of making the area a good living and local environment, to be a place where people feel a sense of belonging and have influence over their neighbourhood. At a given stage, such development projects or organisations can take a conventional turn, eating away their foundation, creating an internal contradiction: the initial selling argument is being eliminated. The challenge lies in the lack of standardised approaches for measuring non-financial benefits, which leads to underinvestment, risk aversion, and difficulty in securing financial backing.

As we will see in Section 2.2: while conventional investment models emphasise short-term financial returns, NEB-aligned projects focus on long-term value creation, often through non-monetised societal values. This is also referred to as 'broad prosperity' (broad well-being), pointing to a holistic perspective on societal progress that extends beyond traditional economic metrics such as Gross Domestic Product (GDP). Central to this concept is the inclusion of social, environmental, and quality-of-life factors (CBS, 2018). By evaluating well-being in multiple domains — ranging from health and education to environmental sustainability — broad prosperity offers policymakers and researchers a more comprehensive framework to assess, compare, and improve societal outcomes (Stiglitz et al., 2009). This disconnect with long-term value creation results in underfunding projects that contribute to climate neutrality, cultural heritage preservation, and inclusive urban transformation.

This section explores the key obstacles in measuring social and environmental impacts and the core reasons behind the capital market's failure to assess NEB values, i.e. beautiful, sustainable, together. It references key studies, EU guidelines, and assessment tools that propose pathways for bridging this gap, and proposes strategies to integrate these dimensions into investment decision-making.

Urban food farming, Quicktest winner, Pedersgata. Photographer: Siri Pedersen

Why Capital Markets Struggle to Value NEB-aligned Projects

NEB-aligned projects challenge traditional financial assessment models: NEB interventions often (aim to) generate cultural, aesthetic, and social values that are difficult to quantify or monetise. These intangible dimensions, such as enhanced community well-being, place-making, and social cohesion, challenge conventional investment models which typically emphasise financial returns and measurable outputs (European Commission, 2020).

Although difficult to capture with traditional metrics, these benefits align with the overarching goals of the European Green Deal which seeks inclusive, sustainable, and climate-resilient growth (European Comission, 2019). Yet, the transition to a climate-neutral Europe by 2050, as set out in the EU Green Deal, is one of the biggest challenges for our society (European Commission, 2021b.). The overall construction sector is responsible for 37% of the world's process- and energy-related carbon emissions, a percentage that increases each year (International Energy Agency, 2019). The EU Framework on Sustainable Finance primarily aims to steer the invested capital towards the policies set in the Green Deal as the EU climate-neutrality ambition by 2050 is defined in the European Climate Law (European Commission, 2021b).

CrAFt's NEB Impact Model[4] responds to these complexities by proposing a multi-dimensional impact framework that integrates qualitative and indirect benefits, recognising the project's broader societal and ecological impact beyond short-term economic gains to include long-term resilience, social capital, and biodiversity enhancements. These principles resonate with the **Principles of Social Value**, which emphasise that mainstream financial systems often overlook indirect economic benefits such as improvements in public health, community resilience, and ecosystem services (Social Value International, 2020a).

In parallel, **InvestEU** seeks to mobilise public and private investment for sustainable projects that contribute to the EU's environmental, social, and economical objectives (European Comission, 2021a). However, conventional financing structures remain largely oriented towards quantifiable returns, leaving intangible NEB benefits underrepresented. By drawing on multi-dimensional impact frameworks such as the ones suggested by CrAFt and Social Value methodologies, NEB-STAR cases stand a better chance of attracting equitable, long-term investments, reinforcing their transformative potential within the European Green Deal context.

[4] https://craft-cities.eu/wp-content/uploads/2025/07/CrAFt-D1.3-Impact-Model.pdf

Gaps in Valuation and Misalignment with Standardised ESG and Financial Reporting Metrics

- **Intangible nature of NEB-aligned benefits;** Many NEB-aligned projects generate long-term social and environmental impact, but these benefits are not easily captured with conventional financial metrics. Investors typically rely on return-on-investment (ROI) and cost-benefit analysis (CBA), which do not account for broader societal benefits.

- **Limited investor confidence due to lacking tools and data uncertainty;** Urban transformation, cultural regeneration, and inclusive public spaces contribute to well-being, heritage conservation, and climate resilience, but investors often lack the tools to measure these outcomes in financial terms. Investors need reliable, verifiable data to support financing decisions, but current measurement tools lack standardisation and consistency. Unclear evaluation metrics make it difficult to compare projects, benchmark success, or demonstrate risk-adjusted returns.

- **Gaps in valuation methodologies and their practical applicability;** Existing Environmental, Social, and Governance (ESG) criteria remain trapped in the research field. Bridging efforts towards practical application in the field of urban development are scarce and often too broad or heavily focused on metrics like CO_2 emissions, overlooking dimensions such as design quality (beauty), cultural heritage preservation, and inclusiveness (G. L. Clark et al., 2015; Elkington, 1997).

- **Long-term vs. short-term investment considerations;** Many social and environmental benefits materialise over decades, whereas financial markets tend to favour shorter-term returns. Infrastructure projects that enhance resilience, improve social equity, or contribute to the circular economy may struggle to attract funding because their impact is not immediately quantifiable. The delay in financial returns discourages private sector investment, reinforcing reliance on public funding or philanthropic contributions and smaller scales of application.

- **Underutilisation of new tools;** The recently developed NEB self-assessment method and tool (European Commission, 2024) proposes an alternative evaluation system to measure the multi-dimensional value of projects beyond carbon reduction. This, and other attempts made to factor in social and environmental impact, remain underutilised as their adoption remains limited due to the lack of standardised financial integration and investor recognition. While the tool offers several insights, it is not easy to apply and to bridge the gap between social value measurement and traditional financial decision-making. This makes it difficult to secure funding for NEB-aligned projects.

Risk Perception and Lack of Innovative Financial Instruments

- **Insufficient understanding of atypical risks;** Many investment firms apply overly defensive risk discount rates to projects with unconventional financial structures, community-led governance, or lower immediate financial returns (Cheng et al., 2014). This conservative approach can stifle high-impact outcomes that yield substantial long-term social and environmental benefits (Edmans, 2011).

- **Complexity of the field (and network);** NEB-aligned projects often include complex stakeholder networks, involving regulations and limited long-term guarantees, all of which contribute to a higher perceived risk (Benedikter, 2011). This perception can discourage traditional lenders or investors who may seek more predictable returns and established frameworks.

- **Still a pioneering field;** Alternative financing models, such as impact bonds, blended finance, and place-based investment strategies, remain at an early stage of adoption (Castellas et al., 2016). Implementing these models typically requires significant effort and specialised expertise, resulting in sporadic 'one-off' projects rather than a mainstream financial paradigm that readily supports NEB-aligned ventures.

The Language Divide between Finance and Urban Development

- A less visible but deeply structural barrier to financing NEB-aligned projects lies in the differing lexicons and logics of the financial sector and the urban development sphere (Healey, 2003). Financial professionals prioritise concepts such as risk-adjusted returns, liquidity, and asset performance, while urban developers focus on place-making, social cohesion, and community engagement (Jacobs, 1961).

- This divergence fosters mutual misunderstanding. Urban professionals lack the language or quantitative metrics to articulate intangible transformative benefits, such as enhanced social value, cultural identity, or civic pride, in terms that resonate with investors (Social Value International, 2021). Simultaneously, capital markets lack robust tools to evaluate long-term, community-based returns on investment.

- As a result, projects offering significant societal and environmental gains can be overlooked or undervalued within financial assessment frameworks (OECD, 2019a). Overcoming this gap requires not only innovative financing mechanisms but also a shared vocabulary and evaluative logic, allowing both finance and urban development stakeholders to collaborate effectively in defining and recognising 'value' for 21st-century cities (UN-HABITAT, 2020).

Pathways for Overcoming this Market Failure

Many of the barriers to investing in NEB-aligned projects stem from the difficulties of translating cultural, aesthetic, and social values into conventional financial metrics. To address this market failure, stakeholders must not only adopt new valuation methodologies but also reform underlying policy, regulatory, and investment frameworks. The following pathways propose a multi-pronged approach to bridging the gap between capital markets and NEB-aligned initiatives by reshaping conceptual and linguistic frameworks, financing mechanisms, and risk-sharing strategies.

A) Expanding Financial Valuation Models to Include Social and Aesthetic Value

- Adopt an expanded impact framework. Broaden traditional financial assessments to account for cultural capital, placemaking, social value, civic pride, and resilience — all of which can generate tangible economic benefits in the long run (Bloomberg, 2011; Barbier & Markandya, 2013).

- Integrate co-benefits with CrAFt's NEB Impact Model. By mapping elements such as design quality, sustainability, higher energy and material independence, reduced energy poverty, inclusiveness, health gains and reduced social expenditure, higher quality of life and safety onto cost-benefit analyses, stakeholders can demonstrate how prioritising beauty, community cohesion, and cultural assets leads to quantifiable returns (Carayannis & Campbell, 2012).

- Translate soft values into concrete financial indicators. Employ proxies and established impact-measurement frameworks (e.g. Social Value International, 2020) to capture broader societal benefits. This ensures that improvements to mental health, civic identity, and heritage preservation are accounted for when calculating investment value (Social Value International, 2020b).

- Leverage data-driven social impact valuation tools. Tools such as Social Return on Investment (SROI) can more accurately monetise social and environmental gains (Castellas et al., 2016). By revealing how cultural and social infrastructure reduce long-term risk while enhancing value, these instruments bolster investor confidence.

Reflection Workshop by Norwegian NEB-STAR partners at Terran, Storhaug, Stavanger. Here with Ubbo Busboom, architect, Stavanger municipality. Photographer: Siri Pedersen

B) Strengthening EU Policy and Investment Mechanisms

- Align EU funding criteria with NEB values and principles. In addition to traditional environmental, social, and governance (ESG) assessments, incorporate aesthetic, social, and participatory metrics into official funding guidelines, thus honouring NEB's integrative vision (European Comission, 2012).

- Promote green municipal tools. Increase reliance on green municipal bonds, social impact funds, and hybrid financing vehicles. These instruments blend public and private capital, reducing funding gaps for innovative, community-oriented projects (OECD, 2025; UN-Habitat, 2009).

- Encourage regulatory shifts and taxonomy updates. Mandate comprehensive cultural and social impact assessments as a standard element of investor due diligence (European Comission, 2020). Aligning these benchmarks across investment portfolios creates uniform standards for evaluating NEB's qualitative benefits and drives private-sector participation.

C) De-Risking NEB Investments for the Private Sector

- Expand public guarantees and blended finance. Introduce risk-sharing mechanisms, such as partial guarantees and subordinated capital, to mitigate the higher perceived risk of NEB-aligned ventures with unconventional structures or extended payback horizons (Weber & Kratzer, 2013; Addis & Talbot, 2016).

- Transition from PPPs to PPPPs. Incorporate community-driven objectives into Public–Private–People–Partnership contracts (Healey, 2006). Doing so aligns profitability with tangible societal outcomes, enhancing legitimacy and drawing interest from socially conscious investors.

- Pilot tokenisation models for cultural and sustainability-driven projects. By enabling fractional ownership and democratised investment via digital platforms (Fransen et al., 2018), tokenisation broadens the capital pool and provides liquidity to NEB-aligned projects. This innovative technique is further discussed in Section 4.5.

D) Establishing Performance-based Contracts and Impact-linked Returns

- Promote impact-driven financial products. Tools such as Social Impact Bonds (SIBs) and Sustainability-Linked Loans (SLLs) tie interest rates to the achievement of predetermined environmental or social milestones (Castellas et al., 2016). These product designs motivate project teams to prioritise NEB-aligned goals.

- Monetise co-benefits in EU-funded projects. Frameworks that incorporate cultural enhancements, energy savings, and health improvements as monetisable outputs justify longer timelines and lower capital costs (Social Value International, 2021; Stiglitz et al., 2009).

- Leverage NEB Investment Guidelines for standardised readiness criteria. By establishing a uniform set of risk-adjusted benchmarks, both public and private entities can converge on what constitutes 'value' in NEB-oriented projects (European Comission, 2024; UN-HABITAT, 2020). This holistic assessment narrows the conceptual gap between finance and urban development.

Social entrepreneurs guided tour, Pulsparken Storhaug, Stavanger. Photographer: Siri Pedersen

Strategies to Strengthen Cultural, Aesthetic, and Social Valuation

While the pathways outlined above address overarching policy and financing issues, concerted strategies are also needed to ensure that NEB-aligned investments reflect — and benefit from — the full spectrum of cultural, aesthetic, and social values. These strategies range from the adoption of comprehensive measurement tools to the refinement of regulatory guidelines, all designed to maximise the transformative potential of investments that align with NEB ideals.

A) Expanding Measurement Frameworks for NEB Impact

- Develop universal guidelines. Create standardised models that seamlessly integrate social, cultural, and environmental indicators into investment and project assessments. By introducing harmonised scoring systems, urban planners and investors can more accurately compare projects.

- Adopt multi-criteria valuation models. Incorporate longer-term societal benefits into financial projections alongside returns on investment. For instance, the enhancement of mental well-being from green spaces and the economic stimulation linked to heritage preservation should be consistently evaluated.

- Refine co-benefit methodologies. Quantify intersectional gains such as improvements in community identity, reduced public health expenditures, and local job creation. This helps measure the broader social and cultural impact of NEB-aligned interventions, paralleling the approaches used in "Expanding Financial Valuation Models" (Section 1A).

B) Aligning Financial Models with Social Value Creation

- Promote blended finance (see also Chapter 5). By combining public, philanthropic, and private capital, projects with substantial cultural and social significance gain access to risk mitigation. This drives private investment into high-impact, long-term developments.

- Integrate impact-linked financial mechanisms. Sustainability-linked loans and social bonds explicitly tie incentives (e.g. interest rates) to the attainment of social or environmental performance benchmarks, aligning investor interests with NEB's overarching vision.

- Strengthen public–private financing structures. Foster frameworks that prioritise not only financial returns but also collective benefits such as inclusiveness, community empowerment, and architectural or design innovation.

C) Strengthening Policy and Regulatory Incentives

- Expand EU taxonomy frameworks. Include qualitative indicators for aesthetic and cultural impact in the taxonomy, ensuring that aspects such as design excellence and cultural heritage are acknowledged and rewarded in investment criteria (see also "Encourage Regulatory Shifts and Taxonomy Updates" in Section 2.1.2).

- Mandate social and environmental impact reporting. Publicly funded projects should report regularly on quantitative and qualitative indicators, creating transparency and accountability in the pursuit of NEB's values and principles.

- Align municipal and national funding. Harmonise various levels of governmental financing with standardised NEB-aligned evaluation methods, promoting a consistent approach to incorporating cultural and aesthetic dimensions in urban development.

D) Enhancing Data Verification and Investor Confidence

- Introduce third-party assurance mechanisms. Independent bodies can assess the legitimacy of social and environmental impact claims, improving trust in NEB-aligned projects.

- Encourage impact certification models. Define clear sustainability and inclusiveness targets for NEB-related initiatives. Projects that meet these targets earn credentials that reassure investors of their reliability and adherence to high standards.

- Facilitate knowledge-sharing networks. By connecting policy-makers, investors, and urban planners, such networks can disseminate best practices in impact assessment and highlight successful NEB-aligned endeavours.

Conclusion: towards a Financial System that Recognises NEB Values and Principles (“The Pitch”)

Together, the proposed pathways and strategies underscore the necessity of foregrounding cultural, aesthetic, and social values within investment decision-making. A coordinated, multi-level approach — encompassing robust impact measurement frameworks, progressive financing mechanisms, and supportive policy reforms — holds the potential to overcome the market barriers currently restricting NEB-aligned investments. By harmonising the priorities of governance bodies, financial institutions, and communities, these interventions can reshape European urban development, balancing fiscal returns with the far-reaching societal benefits that emerge from high-quality design and cultural engagement.

For NEB-aligned urban projects to secure adequate funding, financial markets must transcend conventional risk–reward models and adopt more nuanced, multi-dimensional valuation methods that reflect social, environmental, and aesthetic values. The road map towards this transition requires four key shifts:

1 Refining Valuation Methodologies
Embed social, cultural, and aesthetic indicators into financial appraisals, ensuring that these factors are systematically measured and integrated into investment decisions.

2 Scaling and Innovating Financial Mechanisms
Expand both EU and project-level funding channels that prioritise NEB values and principles. Employ blended finance, impact-linked returns, and similar tools to close the gap between private and public investments.

3 De-Risking through Policy and Structural Reform
Introduce performance-based financial structures and extend public guarantees, thereby lowering perceived risks for long-horizon, design-intensive NEB projects.

4 Mandating NEB-aligned Criteria and Verification
Strengthen regulatory frameworks to require NEB-aligned impact assessments for both public and private funding while improving data quality and third-party validation to enhance investor confidence and comparability.

By enacting these measures, capital markets will be better equipped to recognise and reward the enduring value of NEB-oriented projects. In turn, this will ensure that investments in sustainability, cultural engagement, and aesthetic excellence become both financially viable and intrinsically appealing to a broader spectrum of investors.

Guitar in social entrepreneur Odd Blikra Egeland’s workshop.
Photographer: Siri Pedersen

Partner workshop in Utrecht.
Photographer: Andreas Amdal Østrem.

Chapter 02

Short-term Investment Perspectives and Risk Distribution

A key challenge in financing sustainable urban development is the misalignment between investment horizons and long-term project payoffs. Many NEB-aligned projects, including public space regeneration, circular economy initiatives, and social innovation projects, require high upfront capital but deliver returns over decades in the form of social, cultural, and environmental value. However, financial markets, municipal budgets, and private investors mostly prioritise short-term known returns over these long-term uncertain benefits. Moreover, the recipients of the benefits in 'sustainable projects' are often not the investors, which leads to an additional mismatch.

Key barriers include:

- **Short-term political cycles:** policy-makers often prioritise projects that yield visible results within electoral terms rather than long-term infrastructure investments. Municipal and national budgets also operate on short-term cycles, favouring low-risk, high-visibility investments over transformative, long-term projects.

- **Many NEB-projects have non-traditional revenue streams**, making it difficult for investors to assess their financial viability.

- **Mismatch between investors and beneficiaries:** financing schemes are not only geared towards the short term but also ignore societal returns on investment which do not directly benefit the initial investors.

- **Financial risk aversion:** investors tend to prefer low-risk, high-return projects, whereas climate and urban resilience investments often have uncertain financial payoffs.

- **Economic discounting:** standard financial models devalue future returns and benefits, making investments in climate resilience, cultural heritage, and sustainable infrastructure harder to justify. One could argue that for long-term impact projects the discount rate should be 0% but this is not an easy sell. Moreover, as discounting is a behaviour-linked practice, it is very difficult to challenge its basic mechanisms.

- **Behavioural biases:** psychological studies indicate that individuals and institutions overvalue immediate gains and underestimate long-term threats, making climate investments inherently challenging. This leads to the stated discounting practices and, consequently, to underinvestment in future-proof urban solutions.

Drawing on window in Pedersgata during workshop run by Helen & Hard. Photographer: Siri Pedersen

The Role of Risk Distribution in Sustainable Investments

For NEB-aligned projects to attract sufficient investment, financial risks must be redistributed across multiple stakeholders.

Many such projects — especially those involving affordable housing, green infrastructure, cultural heritage, and public-private innovation spaces — fall outside conventional investor expectations due to their long return periods, societal focus, and high complexity. To address this, innovative financial mechanisms must restructure risk exposure, making investments more attractive by lowering perceived and actual risk.

An additional challenge is the 'split incentive problem', where the investor is not the direct beneficiary of the project's value creation. For example, a property developer may pay for energy efficiency upgrades, while it is the tenant who benefits from lower utility bills. Similarly, municipalities might bear the costs of revitalising a cultural district, while private businesses benefit from increased foot traffic and rising property values.

This misalignment of costs and benefits discourages investment unless new financial structures or policy mechanisms are introduced to internalise the external value. Solutions to this include:

- **Shared value models,** where beneficiaries (e.g. tenants, utility providers, local businesses) co-finance the investment or agree to pay back through value-based rent or fees.
- **Public guarantees or co-investments,** where municipalities reduce investor exposure in areas with high social value but low direct returns.
- **Performance-based contracts**, where returns are tied to long-term social or environmental outcomes, allowing delayed or contingent payouts to investors.
- **Tokenised revenue models**, where future value (e.g. increased land value or tourism revenue) is partially monetised upfront and shared with the investor.

Combining risk redistribution mechanisms with strategies that address the split incentive is key to unlocking sustainable finance for NEB-aligned urban projects. Without such alignment, the market will continue to underinvest in areas where the return on investment is societal rather than financial, despite clear long-term benefits.

At the same time, different investor configurations in larger consortia are needed to address common mismatches between investors and beneficiaries. This allows to extend the pool of resources, include long-term investors, and spread risks over a mixed portfolio.

Risk Categories in NEB-aligned Projects

- **Assured profit / low risk** → market-driven projects with clear revenue models (e.g. commercial real estate, tourism-driven cultural sites).
- **Non-profit / public interest** → government-backed projects with social value but limited direct financial returns (e.g. public space revitalisation, inclusive design initiatives, social housing, public parks, water management).
- **Uncertain profit / high risk** → projects with complex funding needs, unclear monetisation pathways, or requiring long-term behaviour change (e.g. circular economy initiatives, neighbourhood workshops, blended-use community spaces).

Mechanisms to Mitigate Investment Risks

Several mechanisms can be used to de-risk investments in NEB-aligned projects, ensuring financial feasibility while maximising societal impact. These strategies are further explored in Chapter 4 (The NEB-STAR Financial and Partnership Matrix) where financing models are categorised based on partnership models and risk-sharing approaches.

To make long-term urban investments more feasible, financial models must reduce risk for private capital and enlarge the investor pool while ensuring long-term stability.

Possible approaches include:

Blended Finance & Public Guarantees

- Combining EU, national, municipal, and private funding to reduce investor risk while enabling long-term projects (e.g. through loan guarantees and impact investment funds).
- Examples: NEB-aligned urban development projects accessing EU Green Deal financing through public-private investment structures.

Public-Private Partnerships (PPP) & Risk-Sharing Models

- Governments co-invest with private partners, achieving higher ambitions on sustainability (and other NEB values) while reducing capital risk and ensuring long-term viability.
- Example: a mixed-use cultural and co-working hub developed through a PPP where private investors fund commercial spaces while public funding supports non-commercial cultural elements or specific activities, as seen in Innoasis.
- This can be further extended into Public-Private-People Partnerships (PPPPs), where citizens are enabled to co-invest.

Impact Investing & Alternative Finance Models

- Investors accept lower financial returns in exchange for measurable social and environmental impact. Crowdfunding and cooperative finance are also ways to redistribute investment risk across multiple stakeholders.
- Example: NEB or NetZeroCities[5] pilots structured with impact bonds or outcome-based finance, where investors get paid based on project success.

[5] The NetZeroCities Platform of the EU Mission on Climate-Neutral and Smart Cities, https://netzerocities.eu/

Long-term Public Commitments & Municipal Finance Tools

- Municipalities create long-term funding programmes (e.g. municipal bonds, revolving funds, social tax incentives) to sustain projects beyond political cycles.
- Example: a net-zero city pedestrianisation plan financed through a dedicated urban development fund, blending municipal investment with private co-financing. The return for the private co-financing may come in the form of increased adjacent property value, revenue for surrounding commercial activity, or through green bonds and performance-based instruments.

EU & Institutional Funding Alignment

- Aligning NEB projects with existing EU financing instruments (e.g. Cohesion Funds, InvestEU, Horizon Europe) to increase financial security.
- Example: circular economy projects financed through EU-backed portfolio investment models, reducing risk for early-stage investors.

Overcoming Short-termism and Split Incentives in NEB Investments

Breaking the cycle of short-term financial decision-making requires innovative risk-sharing mechanisms and strategic alignment between public, private, and institutional financing. The NEB-STAR Financial and Partnership Matrix (Chapter 4) offers a structured approach to bridge private sector expectations with long-term urban and societal goals.

By leveraging EU, national and municipal funding instruments, alternative financing models, and blended investment strategies, cities and investors can overcome the split incentive syndrome and unlock sustainable, inclusive, and aesthetically valuable projects that would otherwise struggle to secure funding.

The second workshop at
“Byggeplassen” at Site 4016,
Stavanger. Photographer: Siri Pedersen

Geopolitical and Macroeconomic Context Factors

NEB-aligned projects operate within a rapidly evolving geopolitical and macroeconomic landscape, where global instability, economic volatility, and policy fragmentation create significant challenges for long-term urban and societal investments. The war in Ukraine, shifting global trade policies, inflationary pressures, and climate-related disruptions all influence how investments in sustainable urban development, cultural infrastructure, and social innovation are financed and executed.

These external forces not only impact public and private financing mechanisms but also affect supply chains, material costs, investment security, and regulatory frameworks, making it harder for cities and investors to commit to long-term, transformational projects in line with NEB values and principles.

These key geopolitical and macroeconomic barriers can be classified into the following five categories:

A) Inflation, Rising Cost Levels, and Interest Rates Reinforcing Short-term Thinking

- As discussed in Section 2.2, the challenge of short-term investment perspectives, rising interest rates, and inflation further incentivise short-term financial decisions, as projects with quick returns become more attractive to both public and private financiers.

- The cost of borrowing has increased, making it more expensive to finance long-term NEB-aligned projects, particularly those with softer returns such as cultural heritage revitalisation or inclusive public spaces.

- Rising costs for labour, raw materials, and energy add further strain on budgets, making large-scale urban transformation projects less viable under current economic conditions.

B) Aging Population and Changing Demographic Pressures

- Many European countries are experiencing an aging population, which puts additional financial strain on public budgets and investment priorities.

- With rising costs in general and increasing healthcare and pension costs in particular, there is less fiscal space for long-term sustainability and cultural investments, making it harder to justify funding for NEB-aligned projects unless they demonstrate strong social benefits.

- The shift towards smaller working-age populations means cities must rethink how to attract and retain skilled labour.

C) Climate Fatigue and Declining Public Engagement

- The urgency of climate action has led to policy fatigue, where both citizens and investors feel overwhelmed by continuous sustainability demands.

- Scepticism around the effectiveness of green investments — whether real or misinformed — has resulted in weaker political support and more polarised public debates, leading to funding gaps and delays in implementation.

- Ensuring that NEB projects remain accessible and visibly impactful is critical to maintaining public and political will for transformative urban development.

D) Setbacks for Green Investments and Perceived Profitability Risks

- There is a growing narrative among some investors that green and sustainable investments are not profitable, particularly as certain renewable energy projects and ESG (Environmental, Social, and Governance) funds have underperformed in volatile markets.

- Investors seek certainty and risk-adjusted returns, making it crucial to present NEB projects as financially sound, scalable, and de-risked.

- Some corporations and policymakers are re-prioritising traditional investments, citing economic hardship as justification for postponing or scaling back climate-focused urban projects.

E) Energy Security and Climate Resilience Trade-offs

- The ongoing global energy crisis has led some governments to revert to short-term fossil fuel solutions, potentially delaying NEB-aligned clean energy projects.

- Cities must balance immediate energy security needs with long-term climate and sustainability commitments, which requires financial models that enable both.

Navigating geopolitical and macroeconomic uncertainty requires a proactive approach to financing and risk management. NEB-aligned projects must be designed to remain resilient in the face of economic fluctuations, policy changes, and global crises, while upholding their core values of sustainability, inclusiveness, and aesthetics.

Reallocating capital from global financial markets to local economies can reduce exposure to global market volatility and strengthen regional resilience. This shift involves systematically reframing sustainability investments as economically advantageous by ensuring that NEB-aligned initiatives yield tangible, everyday benefits for citizens. Key areas include investments in local renewable energy, building retrofits, circular material flows, and sustainable food production, all of which contribute to the creation of stable, local employment. Additionally, such investments enhance resource autonomy and shield communities from external shocks, as illustrated by the 2022 energy crisis (see also the earlier discussion of co-benefits in Section 2.1.2).

The Fragmentation of Stakeholders and Lack of Effective Partnerships

Successful urban transformation requires collaboration between multiple stakeholders, including public authorities, private investors, social entrepreneurs, civil society, and local communities. However, the fragmentation of these actors (even within the same sector), conflicting priorities, and the absence of structured collaboration models create significant barriers to financing and implementing NEB-aligned projects.

Without strong partnerships, projects often struggle to secure investment, align with policy objectives, and gain public support. This section explores the root causes of stakeholder fragmentation, the impact on sustainable urban development, and strategies to foster effective cross-sector partnerships that support NEB values and principles. Below, we showcase the recurrent challenges faced in stakeholder collaboration registered within NEB-STAR.

Page from the Journey through Gryda Comic. Photographer Siri Pedersen

Diverging Objectives and Misaligned Incentives Leading to Mistrust

- Public sector actors emphasise long-term sustainability, inclusiveness, and social impact, under the constraints of regulations and limited budgets (and time), often placing less focus on financial viability.
- Private investors prioritise financial returns, risk-mitigation, and clear exit strategies, making them reluctant to commit to projects with uncertain, long-term horizons.
- Civil society and local communities focus on place-making, cultural identity, and participatory governance, but often lack the financial leverage to influence project trajectories. Nonetheless, certain institutional investors like Impact Startup are increasingly supporting social entrepreneurs and related initiatives in this space.
- These misalignments can lead to project delays, funding gaps and governance inefficiencies, ultimately undermining the long-term sustainability of NEB-aligned initiatives.

High Transaction Costs and Partnership Coordination

- Critical challenges are the elevated transaction costs — the resources, time, and coordination efforts necessary to forge and maintain partnerships among municipalities, private developers, financial institutions, cultural organisations, and local communities.
- Aligning divergent goals, terminologies, and operational constraints requires substantial negotiation, trust-building, legal coordination, and facilitation.
- When transaction costs become prohibitively high, they deter meaningful participation, weaken stakeholder commitment, and diminish the effectiveness of partnerships. Overcoming this hurdle requires dedicated capacity, neutral facilitation, and simplified governance structures that lower barriers to collaboration.

Institutional and Sectoral Silos

- Urban development efforts often operate in isolated sectors – housing, mobility, public space, culture, health, education – without integrated planning or financing mechanisms.
- Public-private collaborations are limited by bureaucratic inefficiencies, fragmented accountability, and risk-averse organisational cultures.
- Inadequate coordination across governance bodies leads to redundant efforts, inefficient resource use, and competing priorities among stakeholders.

Lack of Financial and Organisational Capacity for Cross-sectoral Partnerships

- Many municipalities lack units or personnel dedicated to facilitating public, private, and community actors in a structured way.
- Private investors seek transparent risk-sharing models and regulatory consistency, which are not always guaranteed by public-sector entities.
- Smaller organisations, including social enterprises and cultural actors, lack access to investment networks and financial expertise, hindering their meaningful participation in large-scale initiatives.

Weak Participatory Processes and Public Engagement Mechanisms

- While NEB emphasises citizen participation, numerous urban development projects fail to incorporate community perspectives beyond early-stage consultations.
- Limited access to information, financial tools, and governance mechanisms often prevents local stakeholders from influencing investment structures and project implementation.
- This can result in top-down decision-making, local resistance to urban transformation projects, and insufficient community buy-in, potentially leading to project failures or underutilised infrastructure. *Svankevigå and Nytorget* (near *Pedersgata*) in Stavanger exemplify these challenges.

Meeting with students, Terran Stavanger.
Photographer: Siri Pedersen

Chapter 03

The Dual Focus of NEB-STAR: The City and the Citizens

03

Cities are shaped by both their physical structures and the people who bring them to life. The NEB-STAR project operates at the intersection of these two dimensions, recognising that sustainable urban development requires a dual focus: on the built environment and on the social and cultural ecosystems that animate it. However, these two areas often demand different financial strategies, partnership models, and governance approaches.

Because of these distinct characteristics, this chapter separates the discussion into two parts: one focusing on the financial and partnership models relevant to physical urban development, and another dedicated to the models best suited for social and cultural initiatives. By making this distinction, we aim to provide a clearer understanding of the specific challenges and opportunities each domain presents — and, ultimately, how they can reinforce each other in the broader vision of sustainable and human-centred urban development.

Financing and Partnerships for Urban Development

The development of buildings, transport infrastructure and public spaces typically involves long-term investments, regulatory frameworks, and structured financing mechanisms, often driven by public-private partnerships and institutional actors. These projects require capital-intensive models that align with planning processes and real estate dynamics. While many of these financing models are similar across Europe, national and local policy frameworks play a key role in shaping how investments are structured and executed.

Public Funding and State Support

In Norway, the state and municipalities play a strong role in urban development financing. Large-scale projects, such as public transport infrastructure, housing initiatives, and urban renewal programmes, are often co-funded by municipal budgets, state grants, and instruments such as *Byvekstavtaler* (Urban Growth Agreements). These agreements link national and local funding to sustainability targets, particularly in mobility and infrastructure investments. Similar mechanisms exist in The Netherlands (Utrecht) and the Czech Republic (Prague), where state and municipal co-financing schemes support long-term development goals.

European Union funding mechanisms, such as the European Regional Development Fund (ERDF) and the Horizon Europe programme, also serve as important funding sources, particularly for projects that align with sustainability and innovation goals. NEB-STAR, through its EU framework, operates within this landscape, exploring how these funding structures can support both physical and social urban development.

Private Investment and Public-Private Partnerships (PPP)

Private sector investment remains a cornerstone of large-scale urban development. In Norway, real estate developers, pension funds, and institutional investors play a significant role in financing new housing, commercial developments, and urban renewal initiatives. Public-private partnerships (PPPs) are frequently used to de-risk investments in infrastructure and mixed-use developments.

In Utrecht, PPPs have been instrumental in projects such as for instance the redevelopment of *Station Area Utrecht*, where public authorities have partnered with private developers to create a modern, multi-use urban space, as well as in *Merwede*, a car-free Utrecht city district with 4,250 homes, where the city, together with developers, energy and grid operators, knowledge institutions, housing associations, and residents is realising an innovative area development with innovative energy cooperations. Similarly, Prague has utilised PPP structures for infrastructure and mobility projects, although regulatory challenges sometimes hinder their widespread adoption.

For NEB-STAR, understanding the balance between public and private funding is crucial. While municipalities provide the regulatory framework and long-term vision, private actors contribute capital and market expertise. However, aligning financial incentives with social and environmental goals remains a challenge, requiring innovative governance models and contractual structures. Also, whilst the private sector is concerned about the public sector's lack of focus on financial viability, the public sector often mistrusts private-sector stakeholders as they are believed to have a singular financial focus.

Norwegian municipalities often use 'obligatory developer contributions' (*rekkefølgekrav*), requiring real-estate projects to co-finance public amenities such as green spaces, mobility infrastructure, and public art. Utrecht has implemented similar policies, ensuring that new developments such as *Merwede* contribute to sustainable urban growth. Prague has experimented with impact fees with developers paying into municipal funds for infrastructure upgrades tied to new developments.

Institutional and Green Finance: Aligning Capital with Climate and Urban Goals

A growing trend in urban financing is the role of institutional capital, green bonds, and impact investment funds in shaping sustainable cities. As European cities push towards climate neutrality, financial institutions and investors are increasingly aligning capital with projects that reduce carbon emissions, enhance resilience, and promote renewable energy and circular economy principles.

Green Bonds and Sustainable Investment Funds

- Norwegian institutions, such as *Kommunalbanken* (KBN) and private banks, have been issuing green bonds to finance climate-friendly infrastructure, mobility solutions, and energy-efficient buildings.
- Oslo has recently published its green bond framework, ensuring that public investments support environmental objectives.
- Utrecht has leveraged EU Green Deal and European Urban Initiative funding, as well as private green investment to transform urban areas with energy-positive buildings and sustainable mobility infrastructure.
- Prague is exploring sustainable finance instruments to accelerate urban renewal while meeting climate targets.

The Role of Climate-Neutral Cities and the Climate City Capital Hub

- The Norwegian cities of Oslo, Trondheim, and Stavanger are part of the "EU Mission on Climate-Neutral and Smart Cities", which requires significant financial mobilisation to achieve net-zero emissions by 2030.
- The *Climate City Capital Hub* is an emerging European initiative designed to match urban sustainability projects with institutional investors and financial instruments, accelerating investment in climate-neutral solutions.
- For NEB-STAR cities (Stavanger, Utrecht, and Prague), leveraging this framework could help secure capital for urban transformation projects that go beyond traditional real estate and infrastructure investments.

Financing Climate Action in Stavanger

- Unlike Oslo, Stavanger has not issued municipal green bonds, but the city has pursued other mechanisms to finance climate-related initiatives.
- A key instrument is *Klimasats*, a national support programme managed by the Norwegian Environment Agency, which provides grants for municipalities to implement emission-reducing projects. Stavanger has successfully secured *Klimasats* funding for initiatives such as electric cargo bikes for businesses and climate adaptation measures, as well as for implementing the FutureBuilt innovation programme, a public-private partnership for developing beautiful, inclusive (together) and sustainable projects and areas.
- Stavanger has also established its City Climate Contract in collaboration with partners such as Lyse, IVAR IKS, and Rogaland County Municipality. This contract commits all parties to achieving climate neutrality by 2030 through targeted investments and coordinated action.

New Financial Models for Climate-adapted Urban Development

- Blended finance (public-private risk-sharing models) is being tested in several European cities to attract private capital for green infrastructure.
- Pension funds and insurance companies, historically conservative investors, are beginning to allocate capital to climate-aligned real estate and infrastructure.
- Energy performance contracts (EPCs) and local investment platforms are emerging as alternative models for financing urban decarbonisation efforts.

Conclusion

Traditional financing mechanisms remain the backbone of real estate, infrastructure, and urban renewal. However, as cities face new sustainability and social inclusiveness challenges, the evolution of financial models is critical. NEB-STAR wants to explore how these existing mechanisms can be adapted to support both physical and social urban development, ensuring that financing is not just about economic returns but also about creating liveable, inclusive, and resilient urban spaces.

Financing and Partnerships for Social Innovation and Entrepreneurship (“The Citizens”)

Social entrepreneurship, cultural initiatives, and grass-roots-driven projects play a vital role in creating inclusive, vibrant and community centred transformations — objectives that align closely with NEB values and principles. These citizen-led endeavours often involve different financial requirements and partnership models than larger infrastructures or area developments.

Rather than focusing solely on profit maximisation, they seek to catalyse social, cultural, and environmental value, leveraging a range of funding streams such as grants, donations, crowdfunding, and specialised impact investments (Bornstein, 2010; Dees, 1998). This paragraph explores how such projects navigate financial and collaborative landscapes within NEB demonstration sites in Stavanger, Utrecht, and Prague, underscoring the importance of adaptable financing mechanisms and strong cross-sector partnerships.

Entry to Pedersgata.
Photographer: Siri Pedersen

Diverse Funding Approaches for Citizen-led Initiatives

Citizen-driven projects typically employ an array of funding approaches to ensure both their financial sustainability and their social impact. Given the varied backgrounds of stakeholders — cultural organisations, grassroots groups, community-based enterprises — these initiatives must remain flexible in their resource strategies (Mair & Martí, 2006).

1 Public and Philanthropic Grants

Municipalities, international bodies, and philanthropic foundations frequently offer grants targeting social, cultural, and environmental innovation (European Comission, 2014). In Stavanger, for instance, NEB-STAR demonstration activities often draw on local government funding to revitalise public spaces and foster creative community engagement. Although such support provides essential early-stage capital, projects must remain adaptable in case of shifting policy priorities or limited long-term grant availability.

2 Community-focused Crowdfunding

Online crowdfunding platforms allow citizens to pool small contributions that collectively fund initiatives with strong local resonance (Belleflamme et al., 2014). In Utrecht, community-led cultural festivals and social enterprises have attracted grassroots support, bolstering neighbourhood ownership and encouraging broader volunteer participation. Beyond raising capital, crowdfunding helps build social momentum, providing a base of advocates and users for future projects.

3 Impact Investment and Hybrid Models

A growing segment of investors prioritises socially or environmentally driven outcomes alongside financial returns (Bugg-Levine & Emerson, 2011). Hybrid structures, such as revenue-based lending, mezzanine finance, or 'convertible' grants, allow social entrepreneurs to access private capital while still pursuing their core missions (Nicholls, 2006). For instance, in Prague's NEB-aligned efforts, certain cultural and community enterprises have engaged with niche investment funds that prioritise civic engagement and place-making over short-term profitability.

Building Effective Partnerships

Cross-sector partnerships are essential to the success of citizen-led NEB initiatives, because challenges like gentrification, social inequality, and environmental degradation require collaboration among local communities, public agencies, private investors, and non-profit stakeholders (Austin et al., 2006).

1 Local Government Engagement and Regulatory Support

Municipal backing can enhance the legitimacy, visibility, and operational stability of grassroots ventures. In Stavanger, NEB pilots encourage structured dialogues between city planners and community organisations, aligning local regulations and resources with community-driven goals. Such alliances reduce bureaucratic hurdles and help channel public funds to cultural and social projects that might otherwise remain under-resourced.

2 Community Networks and Knowledge Sharing

Citizen-led initiatives thrive when embedded in robust local networks comprising civil society groups, neighbourhood associations, and cultural institutions. By sharing expertise, materials, and local contacts, these partners collectively reduce operating costs. In Utrecht, collaborative platforms among non-profits, artistic collectives, and socially oriented enterprises have led to innovative, community-inspired projects that strengthen the NEB values and principles of inclusiveness and co-creation.

3 Private sector and philanthropic co-investment

Corporations and philanthropic organisations can serve as catalysts for social initiatives by offering complementary funding, expertise, or logistical support (Porter & Kramer, 2011). When businesses align their corporate social responsibility objectives with NEB-aligned endeavours, both reputation and public relations benefits often follow. In Prague's NEB context, certain private-sector partners have co-invested in public art and cultural revitalisation efforts, helping lower overall project risk.

Bridging the Two Dimensions: Fostering Adaptable and Inclusive Capital Systems

Despite the growing emphasis on socially driven urban development, many NEB-aligned initiatives still operate within financial ecosystems favouring large-scale, profit-oriented investments. To fully harness the transformative potential of local, citizen-driven, and cultural projects, more robust and inclusive funding frameworks and collaborative strategies are required (Borzaga & Defourny, 2001). These strategies must not only promote financial viability but also mitigate the barriers, such as regulatory complexity, fragmentation, and limited risk-sharing mechanisms that hinder the realisation of long-term NEB objectives.

1 Dedicated Social Finance Instruments

Social finance vehicles, including Social Impact Bonds (SIBs) and pay-for-success models, offer promising avenues for aligning investment returns with measurable community outcomes (OECD, 2019b). Although these mechanisms are often deployed in sectors like workforce development or healthcare, they could be adapted to support the creative economy, urban regeneration, and citizen-focused projects central to NEB values and principles. By attaching financial returns to verified social or environmental impacts, such frameworks help mobilise private and philanthropic capital while retaining a clear mission focus.

2 Capacity Building and Training

Robust local ecosystems of support are critical for smaller or emergent grassroots organisations. Training programmes, shared innovation labs, and incubators can address knowledge gaps in areas such as fundraising, financial management, and impact measurement (Smith et al., 2008). By facilitating peer learning and resource-sharing, these capacity-building initiatives reinforce the resilience of local actors and reduce dependency on external expertise, thereby strengthening their ability to navigate evolving policy environments and market conditions.

3 Supportive Policies and Ecosystem Coordination

Municipal and regional policies that encourage cross-sector collaboration and reduce bureaucratic hurdles foster more effective partnerships. Simplified licensing, targeted tax incentives for impact investors, or streamlined governance structures can further incentivise public, private, and community stakeholders to co-create solutions aligned with NEB objectives. When local authorities actively involve citizens in decision-making, they not only increase legitimacy and transparency, but also ensure that projects maintain a strong grassroots foundation and cultural relevance.

Residents take part in guided tour by social entrepreneurs.
Photographer: Siri Pedersen

Addressing these Barriers through Strategic Financing and Partnerships

Notwithstanding persistent challenges – such as siloed governance, limited financial capacity, and high transaction costs – NEB-aligned projects can remain resilient by drawing on strategic financing solutions, policy alignment, and multi-stakeholder collaboration.

Essential steps to overcome the constraints identified before:

1 Flexible Financial Instruments
Public-private finance mechanisms capable of adjusting to macroeconomic fluctuations can substantially reduce the risk faced by NEB-aligned initiatives (see Chapter 4: The NEB-STAR Financial and Partnership Matrix, particularly Section 4.1.2 and 4.4).

2 EU and Institutional Support
Strengthening access to EU cohesion funds, InvestEU guarantees, and impact-oriented financing can offset the barriers that small and mid-sized organisations or cultural actors frequently face. Such funding streams not only bolster project longevity but also demonstrate institutional commitment to social and environmental objectives, thus drawing further investment from mission-aligned private actors.

3 Policy Alignment and Local Resilience
Encouraging regional production, circular material use, and localised financing models can reduce dependence on volatile global markets. In the light of the current geopolitical uncertainties, enhancing local resource autonomy through policy support becomes an even more pressing priority. This not only helps sustain community-oriented ventures but also aligns with NEB's emphasis on sustainability and aesthetic quality in urban transformation.

4 Keep Local Money in the Local Loop
By focusing on place-based investments and minimising capital outflows to global financial markets, communities can generate local surpluses that can subsequently be reinvested into the regional economy (Pauli, 2013). Although some initiatives – such as local currencies or 'tokens' (e.g. the Bristol Pound or the now-discontinued Totnes Pound) – have attempted to formalise this process, simpler approaches can be equally effective. Adopting local reinvestment principles allows for reinvestment in social infrastructure, cultural programmes, and community well-being, creating an upward spiral of local economic resilience (Desmet, 2013).

5 Risk Sharing and Investor Confidence
Expanding risk-sharing instruments (e.g. green bonds, impact investments, blended finance) can help maintain investor trust in long-term urban projects. By distributing risk among multiple stakeholders, these mechanisms enable NEB-aligned initiatives to survive potential setbacks or delays without jeopardising either social impacts or financial returns. Clear, transparent processes for measuring and reporting on project outcomes further reinforce investor confidence, ensuring sustained engagement in local innovation ecosystems (Bugg-Levine & Emerson, 2011).

Overcoming the entrenched barriers that NEB-aligned projects face requires an integrated approach that combines adaptable financial instruments, concerted policy reforms, and robust partnerships spanning public agencies, private investors, and community stakeholders. Fostering inclusive capital systems — through social finance mechanisms, capacity-building programs, and supportive regulatory environments — enables NEB initiatives to navigate macroeconomic volatility, scale meaningful place-based innovations, and ensure that profits and cultural value remain anchored in local communities. By prioritising local resilience, risk sharing, and the principle of 'keeping local money in the local loop,' these strategies position NEB-aligned urban projects to generate more sustainable and equitable outcomes for citizens.

Meeting to increase cross sector collaboration which resulted in 60 new cooperation agreements.
Photographer: Andreas Amdal Østrem

Strategies to Overcome Fragmentation and Strengthen Partnerships

Building on the discussion of Building Effective Partnerships presented in paragraph 3.2, it is clear that cross-sector collaboration is critical for advancing NEB-aligned projects. Challenges such as gentrification, social inequality, and environmental degradation require a coalition of local communities, public agencies, private investors, and civil society organisations working together (Austin et al., 2006). While paragraph 3.2 underscored the importance of municipal engagement, community networks, and private-sector co-investment, practical models now illustrate how these collaborative principles can be further operationalised. One such example is the City Improvement District (CID) approach[6], inspired by the Business Improvement District (BID) framework and tested in Stavanger.

1 The CID Model in Stavanger: Foundations for Collaborative Governance

The CID model demonstrates how structured, long-term public-private-civic partnerships can drive inclusive and sustainable urban development. Integrating property owners, local businesses, and municipalities in one shared governance framework ensures that decision-making responsibilities and costs are more evenly distributed. This approach not only enhances legitimacy and trust — key drivers of any novel organisational or financial arrangement — but also lays out clear benefit-sharing structures. Stavanger's experience shows that when municipalities, investors, and community groups engage in joint oversight and co-creation, alignment with NEB values of inclusiveness and sustainability becomes more attainable.

2 Establishing Multi-Stakeholder Governance Models

Drawing from CID practices, a fundamental strategy is to formalise cooperative structures that encourage balanced decision-making among municipalities, private actors, and civic organisations. As discussed in paragraph 3.2, support is pivotal for reducing bureaucratic barriers and channelling public funds. Hereby, creating legitimacy and trust is fundamental, especially when novel organisational and financial set-ups are being tried out. Within the CID framework, 'urban innovation labs' can act as neutral intermediaries fostering trust and collaboration among diverse stakeholders.

[6] Sammen om sentrum - regjeringen.no

3 Aligning Financial and Regulatory Incentives

A key lesson from the CID experience is the importance of using blended finance models (examined in Chapter 4) to integrate public funds, private capital, and community-driven investment. Such vehicles encourage private-sector engagement by mitigating risks — using public guarantees or impact-linked investments — while rewarding cross-sector collaboration through targeted tax incentives or levies. This echoes the argument in Section 4.2 that philanthropic and corporate contributions (Porter & Kramer, 2011) can serve as catalysts if supported by conducive policy and regulatory frameworks.

4 Creating Local Capacity for Cross-Sector Partnerships

Effective partnerships also rely on capacity-building at the municipal and community levels. Taking inspiration from CID governance, dedicated units within city administrations (e.g. Future-Built, Smart City teams, business development departments, or planning offices) can coordinate stakeholder involvement and streamline communication channels. Civil society programmes such as *Ungt Entreprenørskap* (Junior Achievement, youth entrepreneurship) and *Norge Unlimited* (social entrepreneurship), alongside SME-focused innovation platforms like *Nordic Edge*, can bolster financial literacy and investment readiness. Likewise, universities, foundations, and cultural hubs can provide mediating expertise, mirroring CID's emphasis on institutional anchors that support urban transformation. Revisiting public procurement practices is another crucial step: identifying legal frameworks that allow private investor involvement from the project outset, while adhering to fair competition standards, can unlock further collaboration. EU green procurement principles[7] reinforce this approach by incentivising sustainable and community-focused solutions.

[7] https://green-business.ec.europa.eu/green-public-procurement_en

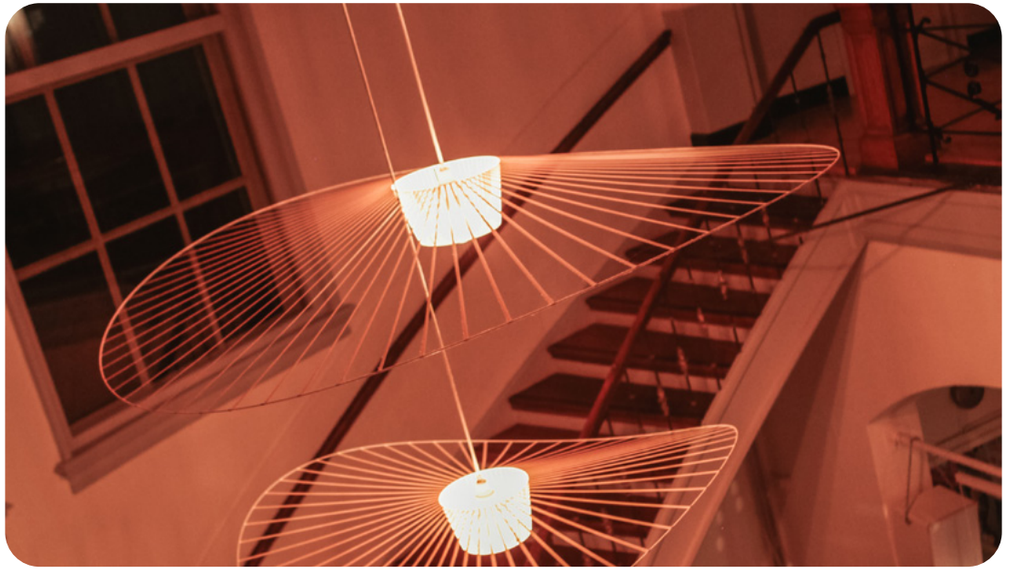
5 Embedding Participatory Finance and Co-Governance Mechanisms

Finally, the CID model highlights the potential of participatory budgeting and community-wealth-building strategies, enabling citizens to co-decide on NEB-aligned resource allocation and even partake in project benefits (e.g. the Stavanger Municipal Budget and Action Plan).

Whether through straightforward community reinvestment (e.g. local profit-sharing) or experimental tools (e.g. tokenised investment platforms discussed in Section 4.5), these mechanisms help anchor capital within local economies while strengthening collective ownership and responsibility.

In sum, the City Improvement District framework tested in Stavanger provides practical guidance for overcoming fragmentation and strengthening partnerships in NEB-aligned initiatives. By **formalising governance**, **aligning incentives**, **developing local capacity**, and **embedding participatory finance**, these strategies expand on the partnership principles described in paragraph 3.2. The CID model, along with similar cooperative arrangements, will be further explored in chapter 4 and appendix B, offering a scalable blueprint for diverse urban contexts seeking to balance economic viability, cultural vibrancy, and inclusiveness.

Lamp in Utrecht. Photographer: Andreas Amdal Østrem



Conclusion: Moving towards Effective, Inclusive, and Scalable Partnerships

Building on the dual focus of NEB-STAR — addressing both urban infrastructure and the socio-cultural dynamics that shape cities — this chapter demonstrates that truly sustainable development hinges on integrated financial approaches and cross-sector partnerships. While large-scale projects require structured financing and clear governance, community-led initiatives thrive on flexible funding, grassroots networks, and civic participation. The strategies presented underscore the importance of aligning these complementary dimensions. In moving forward, the following core principles emerge as key to overcome fragmentation and scale NEB-aligned endeavours:

Holistic Governance and Shared Decision-Making

Encourage multi-stakeholder models — such as City Improvement Districts (CIDs) — that formalise roles and responsibilities for municipalities, private investors, and civic actors, fostering legitimacy, trust, and equitable benefit-sharing.

Blended Financial Structures

Combine public, private, and impact-driven capital sources (e.g. green bonds, social finance instruments, or PPPs) to balance financial viability with social impact, incentivising cross-sector collaboration and mitigating investment risks.

Capacity Building for Local Engagement

Establish dedicated municipal units, innovation labs or programmes such as FutureBuilt to coordinate partnerships and streamline communication. Strengthen financial literacy, investment readiness, and organisational skills in both civil society and small to mid-sized enterprises.

Revisiting Procurement and Policy

Leverage green public procurement and supportive regulations to align private-sector incentives with broader societal goals. This includes introducing policy tools (e.g. developer contributions or impact fees) that allocate capital to public amenities and climate-friendly infrastructure.

Expanding Participatory Finance

Integrate citizens into financing and governance processes through participatory budgeting, community wealth-building, and tokenised platforms. Anchoring resources locally — 'keeping local money in the local loop' — reinforces socio-economic resilience and collective ownership.

By synthesising these strategies, NEB-STAR cities like Stavanger, Utrecht, and Prague can more effectively unite the physical and social dimensions of urban development. As subsequent chapters will explore in greater detail, embracing inclusive, innovative partnership models will be crucial for advancing the NEB vision of liveable, equitable, and future-ready cities.

Open day at Svankevigå, residents grilling hotdogs. Photographer: Siri Pedersen

Chapter 04

The NEB-STAR Financial & Partnership Matrix

	Internal Self-Financing	Commercial Loan Financing	Investor Capital	Public Funding and Grants	Blended Finance
No Partnerships	ISF	CLF	IC	PFG	BF
Private-Private Partnerships	ISF	CLF	IC	PFG	BF
Public-Public Partnerships	ISF	CLF	IC	PFG	BF
Private-Public Negotiations	ISF	CLF	IC	PFG	BF
Public-Private Partnerships	ISF	CLF	IC	PFG	BF
Triple Partnerships	ISF	CLF	IC	PFG	BF

Internal self-financing (ISF)

NO PARTNERSHIPS (INDEPENDENT INITATIVE)

A single actor — either a private developer using its own funds or a public authority fully financing a project — delivers without formal partnerships.

For private actors, this means full control and financial risk, aiming for profit or reputational gain. For public actors, it typically means funding through public budgets and hiring suppliers via standard procurement, focused on predefined outputs.

This setup is simple and fast, with clear accountability, but limits co-creation, innovation, and risk-sharing. It suits low-complexity projects but may miss wider social or environmental value.

Example
A private developer invests its own capital to refurbish a commercial building, focusing solely on rental income and market returns, without engaging public partners or local stakeholders.

On the public side, a municipality fully funds and commissions the construction of a small neighborhood park through a standard procurement process, hiring a landscape contractor based solely on price and quality criteria, without involving civil society or private co-financing.

PRIVATE-PRIVATE PARTNERSHIPS (P2P)

Two or more private actors pool their own capital (equity) to co-finance and co-develop a project. Each partner contributes resources — money, expertise, or assets — sharing control, risk, and potential profits.

This setup allows private partners to scale projects beyond what they could do alone, increase flexibility, and leverage complementary strengths. However, without public or community involvement, projects tend to focus on commercial or strategic goals, with limited attention to broader public value or social impact.

Example
Two real estate developers jointly invest their own capital to co-develop a mixed-use urban block, combining retail, offices, and housing. Each contributes funds and shares decision-making, aiming for shared financial returns.

Alternatively, two private companies — a tech firm and a construction company — co-finance and co-design a smart building pilot, leveraging their complementary expertise but without involving public authorities or community stakeholders.

Internal self-financing (ISF)

PUBLIC-PUBLIC PARTNERSHIPS

Two or more public sector bodies (e.g. municipalities, regional agencies, or public enterprises) each invest their own budgetary resources or equity into a shared project. This cooperation allows pooling of mandates, expertise, and local knowledge to address common public challenges, such as regional development, climate adaptation, or shared infrastructure.

Because financing comes entirely from public resources, these partnerships often aim to maximise social value, environmental goals, or public service delivery — rather than generating financial profit. However, they require strong governance coordination, shared accountability, and clear division of roles between the public partners.

Example
A city and a regional government each invest budgetary funds to co-finance the restoration of a historic cultural center that serves both local residents and regional visitors.

Alternatively, two neighboring municipalities jointly use their own funds to develop a cross-border cycling network, improving regional mobility and sustainability without involving private capital or external financing.

PRIVATE-PUBLIC NEGOTIATIONS

A private actor fully finances a project using its own funds but negotiates specific terms or benefits with public authorities — such as zoning changes, density bonuses, tax reductions, or expedited permitting — in exchange for delivering public value (e.g., affordable housing, green space, or cultural amenities).

This model offers flexibility and speed from the private side while aligning parts of the project with public goals, without requiring formal partnerships or co-financing. It works best when public incentives can steer private projects toward broader social or environmental outcomes.

Example
A private developer self-finances a mixed-use housing project but negotiates with the municipality to secure increased building height and reduced parking requirements in exchange for including a percentage of affordable housing units and public green space.

Alternatively, a private company funds the transformation of an old factory into a creative hub and negotiates tax benefits with the city for offering subsidized studio space to local artists.

Internal self-financing (ISF)

PUBLIC-PRIVATE PARTNERSHIPS

Both public and private actors contribute their own funds (equity) to jointly co-finance and co-deliver a project, sharing control, risks, and rewards. Unlike purely private or public initiatives, this formal partnership aligns commercial efficiency with public goals, creating long-term, co-owned outcomes.

Such arrangements require detailed agreements on governance, responsibilities, and value-sharing but can unlock projects that neither party could implement alone, combining financial strength, technical expertise, and public legitimacy.

Example
A municipality and a private real estate developer each contribute their own funds to co-finance a climate-resilient waterfront redevelopment, combining public investment in public spaces and infrastructure with private investment in commercial and residential buildings.

Alternatively, a public transport authority and a private mobility company co-invest in launching a new electric bus service, with both parties sharing operational risks and long-term benefits.

TRIPLE PARTNERSHIPS

Public authorities, private actors, and civil society organizations (e.g. NGOs, community groups) each contribute their own funds or in-kind resources to jointly finance and deliver a shared project. This approach ensures broad inclusion, integrating commercial efficiency, public interest, and community needs into a co-owned initiative.

While it requires careful governance and trust-building among diverse partners, this model maximizes social value and long-term impact, making it especially suited for projects addressing complex challenges like social inclusion, sustainability, or cultural regeneration.

Example
A municipality, a local business network, and a neighborhood association each contribute funds to co-develop a community innovation hub that offers shared workspaces, cultural programming, and training opportunities, ensuring the project reflects both public goals and local community needs.

Alternatively, a city, private sponsors, and an environmental NGO co-finance the creation of an urban nature park, where the public sector provides land, private companies sponsor amenities, and the NGO mobilizes volunteers for maintenance and educational activities.

Commercial loan financing (CLF)

NO PARTNERSHIPS (INDEPENDENT INITATIVE)

A single actor — either a private developer or a public authority — takes on debt to finance a project without engaging in formal partnerships. For private actors, this typically involves securing bank loans or issuing bonds to fund private developments, assuming full financial responsibility and risk.

For public actors, it involves funding infrastructure or services through municipal bonds or loans, combined with standard procurement processes to contract private suppliers. While this model can deliver large-scale projects, it lacks the shared governance or co-creation benefits of more collaborative arrangements.

Example
A private developer takes out a commercial loan to finance the construction of a residential complex, managing all risks and decision-making without public or community involvement.

On the public side, a municipality issues a municipal bond to raise funds for building a new public library, then uses standard procurement procedures to hire architects and contractors, focusing solely on delivering the predefined public service.

PRIVATE-PRIVATE PARTNERSHIPS (P2P)

Two or more private actors jointly secure debt financing — such as bank loans, syndicated loans, or corporate bonds — to co-finance a shared project. This approach allows partners to pool financial strength, spread risk, and access larger capital volumes than they could individually. While it boosts scalability and efficiency, the focus typically remains on commercial outcomes, with limited attention to public or social objectives unless linked to broader impact goals.

Example
Two real estate developers form a joint venture and secure a syndicated loan from a commercial bank to co-finance a major urban regeneration project, combining housing, retail, and public space.

Alternatively, a renewable energy firm and an industrial company jointly issue a corporate bond to finance a shared wind farm, aiming to reduce energy costs and meet shared sustainability targets.

Commercial loan financing (CLF)

PUBLIC-PUBLIC PARTNERSHIPS

Two or more public sector entities (such as municipalities, regional governments, or public agencies) jointly raise debt — often through inter-municipal loans, pooled municipal bonds, or development bank financing — to co-finance shared infrastructure, services, or regional projects. This arrangement allows them to combine financial strength, share risks, and deliver projects that span administrative boundaries, often focusing on regional integration, sustainability, or public service enhancement.

Example
Two neighboring municipalities jointly secure a loan from a national development bank to co-finance an inter-municipal cycling network, improving sustainable mobility across their borders.

Alternatively, a city and a regional transport authority issue a joint municipal bond to fund the expansion of a cross-regional light rail system, sharing both costs and governance.

PRIVATE-PUBLIC NEGOTIATIONS

A private actor secures debt financing — such as bank loans or private bonds — to fund a project but negotiates specific agreements or incentives with public authorities to improve project feasibility or alignment with public goals. This might include zoning changes, tax breaks, or access to public land. While financing and ownership remain private, negotiated public concessions help shape the project's social, environmental, or economic contribution.

Example
A private developer takes out a commercial loan to build a mixed-income housing project and negotiates with the municipality for a property tax reduction in exchange for including affordable units.

Alternatively, a logistics company finances a new urban distribution hub through private bonds and negotiates access to municipal land under favorable lease terms in return for implementing low-emission transport solutions.

Commercial loan financing (CLF)

PUBLIC-PRIVATE PARTNERSHIPS

Public and private actors jointly secure debt financing — often through project finance loans, green bonds, or development bank facilities — to co-fund and deliver shared infrastructure or services. Both sides contribute financially and share risks, using structured agreements that align commercial efficiency with public objectives. This model is particularly suited for large-scale, capital-intensive projects like energy systems, transport networks, or urban redevelopment, where debt instruments help leverage greater capital than equity alone.

Example
A city and a private transport operator co-issue a green bond to finance the development of an electric bus fleet, combining public investment in charging infrastructure with private investment in vehicle procurement.

Alternatively, a public water authority and a private engineering firm jointly secure a project loan to co-finance the upgrade of a regional wastewater treatment facility, sharing operational responsibilities and repayment obligations.

TRIPLE PARTNERSHIPS

Public authorities, private actors, and civil society organizations collaborate on a shared project financed partly through debt instruments — such as municipal bonds, development loans, or cooperative credit schemes — with repayment responsibilities distributed among the partners. This model blends institutional strength, commercial capacity, and grassroots legitimacy, enabling complex, high-impact projects with strong social or environmental dimensions. Successful implementation requires robust governance, clear roles, and shared accountability across all sectors.

Example
A city, a private developer, and a housing cooperative jointly secure a social impact loan to co-finance an affordable housing project with integrated community spaces.

Alternatively, a municipality, local businesses, and an environmental NGO co-fund a river restoration project using a municipal green bond, combining public works, private sponsorship, and community stewardship.

Investor capital (IC)

NO PARTNERSHIPS (INDEPENDENT INITATIVE)

A private actor raises capital from external investors — such as venture capital, private equity, or community investors — to finance a project independently, without formal public or civil society partnerships. For public actors, this may involve securing philanthropic or private donations alongside public procurement processes. While this expands financing sources, decision-making and ownership remain firmly with the lead actor, limiting opportunities for co-creation or shared governance.

Example
A developer raises private equity to finance an urban co-living complex focused on young professionals, managing the project independently.

Alternatively, a municipality secures private philanthropic donations to commission a public art installation through standard procurement.

PRIVATE-PRIVATE PARTNERSHIPS (P2P)

Two or more private actors co-invest using external investor capital, such as joint venture funding, pooled private equity, or combined crowdfunding. This setup allows partners to expand capacity, share risks, and access innovation funding, but usually focuses on market-driven outcomes. While efficient and scalable, public and civil society goals are typically not integrated unless intentionally designed.

Example
Two mobility startups jointly raise venture capital to develop a shared micromobility platform in a major city.

Alternatively, two real estate firms pool investor-backed funds to develop a large mixed-use complex, combining commercial and residential components.

Investor capital (IC)

PUBLIC-PUBLIC PARTNERSHIPS

Two or more public entities collaborate on a project co-financed by institutional or mission-driven investors, such as development banks, philanthropic investment funds, or green bonds. This setup enables public actors to amplify impact, scale innovation, and share risk, often focusing on large-scale regional or cross-sector initiatives.

Example
A regional transport authority and municipal government co-finance a light rail expansion, attracting investment from a green infrastructure fund.

Alternatively, two public health agencies partner to develop a telemedicine platform supported by social impact investors.

PRIVATE-PUBLIC NEGOTIATIONS

A private actor raises investor capital and negotiates with public authorities for incentives, regulatory adjustments, or access to public assets, aligning private finance with partial public objectives. While ownership and financing stay private, negotiated agreements create space for public benefit alignment, often in areas like affordable housing, sustainability, or innovation.

Example
A social enterprise secures impact investment to develop a community health hub and negotiates with the municipality for favorable land leasing terms.

Alternatively, a private developer raises investor capital for a green building project and negotiates density bonuses in exchange for meeting ambitious energy-efficiency standards

Investor capital (IC)

PUBLIC-PRIVATE PARTNERSHIPS

Public and private actors co-finance a project alongside institutional or impact investors, combining public objectives, private execution capacity, and external capital sources. This model leverages broader financing streams and aligns stakeholders under structured governance agreements, allowing for innovation and scale in sectors like clean energy, mobility, or urban development.

Example
A city and a private energy provider co-develop a district heating system, attracting pension fund investment to secure long-term capital.

Alternatively, a public transport authority partners with a mobility company, backed by venture funding, to deploy an integrated electric scooter and public transit system.

TRIPLE PARTNERSHIPS

Public, private, and civil society actors co-develop a project with financing from a mix of institutional investors, impact funds, and/or community investors (e.g., equity crowdfunding). This highly collaborative model blends capital sources and stakeholder perspectives, enabling inclusive, socially impactful projects that align financial, public, and community goals.

Example
A cooperative housing project brings together a municipality, a private developer, and a residents' association, raising additional funding through a community investment platform.

Alternatively, a city, local businesses, and an environmental NGO co-create an urban resilience project financed by a combination of impact investors and local citizen investors.

Public funding and grants (PFG)

NO PARTNERSHIPS (INDEPENDENT INITATIVE)

A public authority funds a project fully through its own grants or subsidies, or a private actor independently receives public grants to deliver a project without formal partnerships. The relationship is transactional: the public body provides funding or commissions services, but without shared governance or long-term collaboration. This model is effective for delivering clear, bounded public goals but limits innovation and stakeholder integration.

Example
A municipality awards a cultural grant to a local artist to produce a public mural, using a simple grant agreement.

Alternatively, the city funds a new library through its capital budget and hires contractors via procurement to build it, focusing solely on delivery, not partnership.

PRIVATE-PRIVATE PARTNERSHIPS (P2P)

Two or more private actors jointly apply for or leverage public grants to co-finance collaborative projects. The public funding often supports innovation, sustainability, or SME collaboration goals, while the private actors share investment, expertise, and implementation responsibility. This setup encourages private sector experimentation aligned with public priorities.

Example
Two tech startups co-apply for an EU innovation grant to co-develop a climate tech solution, combining their resources and sharing the grant funding.

Alternatively, two small manufacturers secure a government subsidy to jointly implement energy-saving production upgrades.

Public funding and grants (PFG)

PUBLIC-PUBLIC PARTNERSHIPS

Two or more public bodies pool public funding or jointly access regional, national, or EU grants to co-finance shared projects. This model strengthens regional cooperation, amplifies impact, and helps align public efforts across administrative levels to achieve common social, environmental, or economic objectives.

Example
A city and regional government jointly secure EU cohesion funds to develop a cross-regional green infrastructure network.

Alternatively, two public health agencies co-fund a new maternal care program with support from national healthcare grants.

PRIVATE-PUBLIC NEGOTIATIONS

A private actor negotiates direct public funding (such as grants, subsidies, or tax incentives) in exchange for delivering agreed public benefits, often embedded in private projects. While the financing remains largely private, the negotiated public support increases alignment with public goals, such as social inclusion or environmental standards.

Example
A private developer negotiates a municipal subsidy to include affordable housing units in a market-rate development.

Alternatively, a logistics company receives a government grant to upgrade its fleet to low-emission vehicles in exchange for meeting city-wide sustainability targets.

Public funding and grants (PFG)

PUBLIC-PRIVATE PARTNERSHIPS

Public and private partners co-finance a project, with additional public funding or grants strengthening the public value dimension. This model enables ambitious projects with public service, social, or environmental goals, leveraging private delivery capacity alongside public funding streams such as EU grants, national subsidies, or green transition funds.

Example
A city and a private utility co-finance a district heating network, supported by an EU energy transition grant.

Alternatively, a public housing agency and a private construction firm partner to build a social housing complex, supplemented by national affordable housing subsidies.

TRIPLE PARTNERSHIPS

Public, private, and civil society actors jointly implement a project supported by public funding or grants, combining financial resources, expertise, and social reach. This model enables broad, inclusive, and innovative projects aligned with NEB principles, often focusing on social innovation, cultural initiatives, or community resilience.

Example
A municipality, local businesses, and a community foundation co-develop a neighbourhood cultural hub, supported by a national social innovation grant.

Alternatively, a city, private sponsors, and an environmental NGO collaborate on a large-scale urban greening project with support from EU LIFE funds.

Blended finance (BF)

NO PARTNERSHIPS (INDEPENDENT INITATIVE)

A single actor — typically a public body or private entity — combines diverse funding sources (e.g., public funds, private sponsorship, philanthropic grants) to finance a project it leads independently or procures externally. While the actor manages the project alone, blended finance allows them to access more resources and enhance the project's impact, even without formal partnerships or shared governance.

Example
A municipality combines municipal funds, a national cultural grant, and private sponsorship to commission a large public art installation via procurement.

Alternatively, a private developer blends own capital, CSR funds, and philanthropic contributions to deliver a green public plaza on private land.

PRIVATE-PRIVATE PARTNERSHIPS (P2P)

Two or more private actors jointly blend various financing sources — such as private equity, philanthropic funds, or impact investment — to co-develop a project. This model enhances financial capacity, spreads risk, and enables projects with social or environmental ambitions beyond purely commercial aims.

Example
Two developers co-finance a sustainable housing project by combining their own equity, foundation grants, and impact investment.

Alternatively, two SMEs partner to roll out a circular economy pilot, blending private funding with a philanthropic innovation prize.

Blended finance (BF)

PUBLIC-PUBLIC PARTNERSHIPS

Two or more public entities pool public funds and combine them with external blended sources (e.g. EU grants, development bank loans, philanthropic funding) to co-finance large-scale, cross-regional projects. This setup enables ambitious projects addressing regional or national challenges, amplifying public resources and maximizing public benefit.

Example
A city and regional authority partner to develop a climate-resilient urban corridor, combining their budgets with EU green transition funds and philanthropic environmental grants.

Alternatively, two municipal energy agencies co-finance a renewable energy project with development bank loans and national climate resilience funding.

PRIVATE-PUBLIC NEGOTIATIONS

A private actor assembles a blended financing package (e.g. private capital + philanthropic support + public guarantees) and negotiates additional benefits or regulatory adjustments with public authorities to advance a project aligned with public goals. This model increases project scale and impact while keeping formal governance light.

Example
A social enterprise combines private investment, foundation grants, and municipal guarantees to launch a neighborhood recycling hub, negotiating access to public land with the city.

Alternatively, a developer raises blended capital for a mixed-use project and negotiates density bonuses in exchange for delivering cultural space and green infrastructure.

Blended finance (BF)

PUBLIC-PRIVATE PARTNERSHIPS

Public and private partners co-finance a project using a layered capital stack that includes public funds, private capital, and external blended sources, such as philanthropic grants, green bonds, or concessional loans. This approach maximises impact, de-risks private investment, and enables ambitious, high-impact projects aligned with sustainability and inclusion goals.

Example

A city and a private transport provider co-develop an electric bus network, funded through a mix of municipal investment, private capital, and a green impact bond.

Alternatively, a public housing agency and a private developer partner on an affordable housing project, drawing on public subsidies, private equity, and foundation-backed guarantees.

TRIPLE PARTNERSHIPS

Public authorities, private actors, and civil society organisations co-create a project financed through a combination of public funds, private capital, philanthropic contributions, and possibly citizen-led crowdfunding. This highly collaborative and resource-diverse model allows for inclusive, transformative projects addressing complex urban, social, or environmental challenges.

Example

A municipality, local businesses, and a neighbourhood association co-develop a climate-adaptive urban park, blending municipal funds, private sponsorship, foundation grants, and local crowdfunding.

Alternatively, a city, private health provider, and NGO co-fund a health innovation lab using blended capital from EU social innovation funds, impact investors, and corporate sponsors.

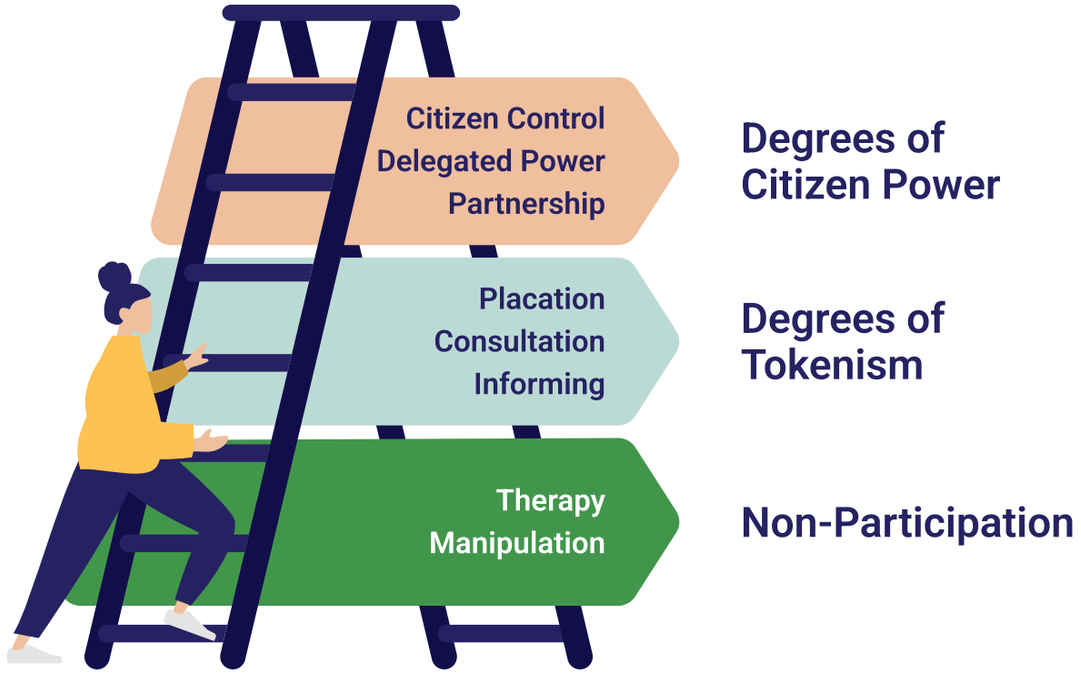
Social Impact Factory, Utrecht.
Photographer: Han Vandevyvere

The Hierarchy of Financing and Partnership Models

The NEB-STAR project seeks to design new financing and partnership models that uphold the NEB values and principles with the overarching goal of shaping beautiful, sustainable, and inclusive (together) urban environments. Central to this is the creation of a structured framework — referred to as the NEB-STAR Financial and Partnership Matrix — that bridges the gap between private-sector investment imperatives and the broader societal objectives integral to long-term urban development. By outlining a spectrum of collaborative mechanisms, this matrix offers a strategic method for reducing project risk for private investors, while safeguarding public interests.

A key insight within the matrix is that higher levels of partnership complexity and financing often correlate with more significant social and environmental outcomes. As collaboration becomes more comprehensive, robust governance arrangements and well-coordinated strategies become essential. This approach is informed by existing literature, including work by Bryson, Crosby, and Stone (2006), which emphasises that cross-sector alliances require careful design and execution.

Inspired by Arnstein's "Ladder of Public Participation" (1969), the NEB-STAR framework depicts a progressive scaling of stakeholder involvement, financial sophistication, and governance depth. Lower tiers may focus on private-sector initiatives driven largely by market considerations, involving minimal engagement with public authorities or local communities. As one ascends the 'ladder,' partnerships become more integrated, bringing together government agencies, civil society, and investors. These upper levels feature co-creation and shared decision-making processes, aligning financing structures with community aspirations and sustainability mandates. Ultimately, the matrix underscores that each project context demands a carefully selected collaboration model, offering stakeholders a clear roadmap for advancing social, economic, and environmental objectives in tandem with meaningful public involvement.



Inspired by "A Ladder of Citizen Participation," Sherry Arnstein, Journal of the American Planning Association.

Partnership Models: The Ladder of Collaboration

In practice, the 'ladder of collaboration' encompasses a range of models. At the most elementary stage, independent projects operate in relative isolation, with private actors pursuing financial returns and only minimal external input. Moving up the ladder, consultative or advisory engagements begin to integrate perspectives from public agencies or community groups, harmonising broader urban goals with investor agendas. Collaborative alliances, such as public-private partnerships, represent a more formalised level of commitment where risks, rewards, and objectives are collectively managed. At the highest tier of engagement, co-decision-making processes foster the co-design of solutions, fully embracing the inclusive spirit of NEB values and principles and reflecting Arnstein's concept of genuine citizen power. This final, transformative level of partnership weaves together financial, regulatory, and participatory mechanisms so that social, cultural, and environmental objectives are met alongside the pursuit of stable and responsible investment.

Level 1

No Partnerships (Independent Initiative)

Characteristics

- No formal collaboration or shared governance between sectors
- Interaction is either internal (private actor initiates and funds) or transactional (public actor procures services)
- Decision-making and project design occur unilaterally
- No co-creation, co-financing, or participatory planning processes
- Quick to implement but may lack integration with broader urban or community goals
- Outcomes may still align with NEB principles but without the layered value partnerships can bring

Actors

- A private developer, business, or cultural actor acting independently
- A public authority implementing a project through standard procurement procedures (e.g. contracts or tenders)
- No involvement from other sectors (no private-public-people collaboration)

Purpose

- For private actors: Fulfil internal goals (e.g. brand value, Corporate Social Responsibility, aesthetics) without involving other stakeholders
- For public actors: Deliver services or outcomes through a supplier relationship without seeking partnership, innovation, or shared governance
- Overall: Deliver a defined result with minimal complexity or engagement beyond the initiating party

Example

- A developer finances affordable rental housing by charging higher rents for premium areas or a green façade on its office building as a corporate responsibility initiative without consulting the community or municipality
- A municipality hires a contractor to build a playground through public procurement based on predefined specifications, without involving residents or civil society in planning or use

Level 2

Private-Private Partnerships (P2P)

Characteristics

- Cooperation between multiple private entities to share risk, expertise, resources and co-investment strategies
- Enhanced efficiency through pooled resources and joint efforts, often enhancing project outcomes
- Flexibility in defining goals, as there are no public or civil society constraints

Actors

- Multiple private entities collaborating

Purpose

- Leverage private-sector collaboration to optimise outcomes and increase flexibility and resource-sharing

Example

- Two developers jointly finance and construct a mixed-income housing project sharing costs and revenues alike

Level 3

Public-Public Partnerships (P2P)

Characteristics

- Collaboration between multiple public-sector entities to achieve common policy or infrastructure goals
- Can include municipalities, regional authorities, national agencies, or public institutions (e.g. universities or transport agencies)
- Focuses on joint governance, regulatory alignment, and resource-sharing

Actors

- Government bodies, municipalities, public utilities, public agencies, universities, or other state entities

Purpose

- Improve efficiency and coordination in public-sector initiatives

Example

- Two municipalities co-develop a regional mobility strategy, ensuring seamless public transportation across administrative boundaries

Level 4

Private-Public Negotiations (PPN)

Characteristics

- Bilateral agreements where the private sector offers a public good in exchange for regulatory or financial incentives
- The municipality provides zoning benefits, tax breaks, or regulatory flexibility in return or other non-financial incentives in exchange for social or environmental contributions
- Typically involves moderate public oversight but lacks formal long-term governance structure

Actors

- Private actors engaging in structured negotiations with public entities

Purpose

- Align private development interests with public policy goals while maintaining operational independence and flexibility

Example

- A real-estate developer offers to build social spaces in exchange for permission to construct taller buildings than regulations allow

Level 5

Public-Private Partnerships (PPP)

Characteristics

- Formalised agreements with clear governance structures, shared responsibilities, and accountability mechanisms, risk-sharing, and formal investment agreements
- Requires transparency and accountability, typically involving public tendering processes
- Designed to address large-scale urban or infrastructure challenges with measurable social and environmental objectives, through long-term collaboration

Actors

- Public authorities and private-sector entities working together under formalised structured agreements

Purpose

- Deliver sustainable solutions and generate public value through collaboration

Example

- A municipality and a private consortium jointly manage a mixed-use development that includes public amenities, such as parks or cultural venues, alongside commercial spaces

Level 6

Triple Partnership (Public, Private, and People / Civil Society - PPPP)

Characteristics

- Maximum inclusiveness and social impact, balancing commercial and public goals with community interests
- Requires complex governance structures, often through cooperative models, to ensure balanced representation and long-term impact
- Strong public engagement in decision-making, project design, governance, and long-term impact measurement

Actors

- Collaboration among public authorities, private developers, and civil society organisations (NGOs, cooperatives, social enterprises, community groups)

Purpose

- Maximise social impact and inclusiveness by integrating diverse perspectives and objectives

Example

- A city, private investors, and a local housing cooperative jointly develop an affordable housing project, integrating cultural spaces, green infrastructure, and social inclusiveness initiatives

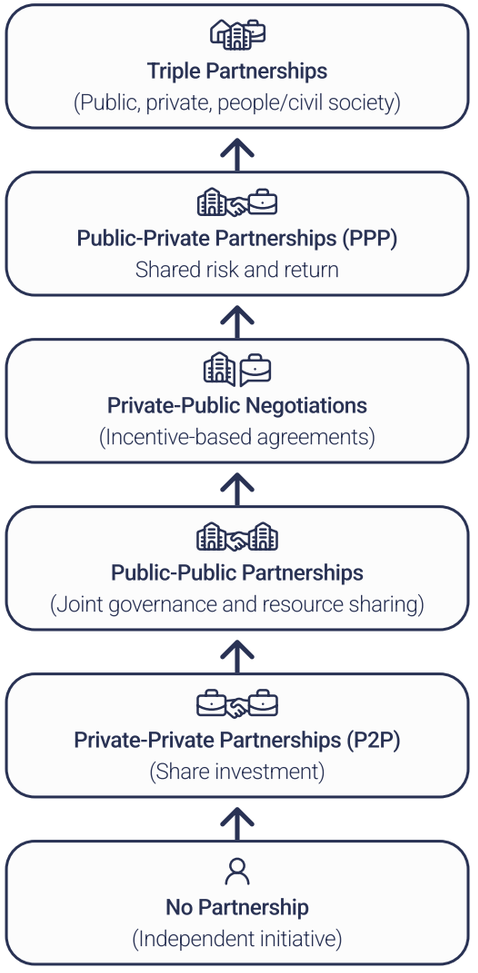


Figure 1 - The Partnership Ladder. Source: Author.

This structure explicitly bridges private sector needs (profitability, risk mitigation) with societal objectives (public benefit, long-term sustainability, just development) by providing structured incentives, risk-sharing mechanisms, and strategic co-investment models.

Financing Models: The Levels of Financial Complexity

The Financing Ladder: A model showing the increasing complexity of finance models, from private simple self-financing mechanisms to highly structured blended financial instruments solutions that combine public, private, and philanthropic capital.

Given the rising cost of borrowing, inflation, and investment shifts, NEB-aligned projects require financial structures that provide stability despite macroeconomic fluctuations. The models outlined below offer risk-adjusted financing solutions, helping cities and investors secure funding without excessive exposure to short-term financial cycles.

Level 1

Internal Self-Financing (Private Equity)

Characteristics

- Maximum inclusiveness and social impact, balancing commercial and public goals with community interests
- Requires complex governance structures, often through cooperative models, to ensure balanced representation and long-term impact
- Strong public engagement in decision-making, project design, governance, and long-term impact measurement

Source

- Developer's own capital (private equity), retained earnings, or reinvestment from private profits

Risk

- High financial risk for the developer but full autonomy over project decisions

Example

- A developer uses personal funds to finance an urban revitalisation project without seeking external investors

Level 2

Commercial Loan Financing (Loans, Bonds and Credit Instruments)

Characteristics

- Financing is provided as borrowed capital or fixed-income instruments, requiring collateral and repayment structures, typically with interest
- Can come from banks, bondholders, individuals (via P2P platforms), or public institutions
- Interest rates and terms vary by source and risk level
- Borrowers retain full ownership and control (unlike equity financing)
- Allows larger and more ambitious projects than self-financing but requires creditworthiness and repayment discipline
- Often paired with public incentives to improve loan terms (e.g. government-backed guarantees)
- Suitable for both private actors and municipalities, depending on the instrument

Source

- Commercial banks (traditional secured loans), institutional investors (via green/social/municipal bonds), public institutions and development banks (e.g. European Investment Bank, Nordic Investment Bank, Innovation Norway)
- Private investors (via convertible debt for early-stage or innovation projects). Individuals through peer-lending platforms

Risk

For the borrower:

- Repayment obligations can create financial pressure, especially if cash flow is uncertain
- Interest rates vary based on risk profile, collateral and market conditions
- Crowdlending and convertible debt may have more flexible terms but come with reputational and ownership risks

For the lender/investor

- Risk varies based on security and credit rating
- Bonds backed by public credit (e.g. municipalities) tend to be lower risk; peer-to-peer and startup loans carry higher default risk

Example

- A private developer secures a commercial loan from a bank backed by property assets to fund a new mixed-use property that integrates NEB values and principles
- A municipality issues a green bond to finance stormwater management and nature-based urban infrastructure
- A social entrepreneur uses a P2P lending platform to raise funds for a community reuse hub
- A city partners with the European Investment Bank to finance the electrification of a public transport fleet
- A start-up studio working on circular building materials secures convertible debt from an impact investor as part of its early-stage financing strategy

Level 3

Investor Capital & Community-Based Financing

Characteristics

- Allows for scalability while sharing risk with external investors
- Can reduce direct financial pressure on developers but requires return on investment (ROI)
- May prioritise profit over social impact, unless aligned with impact investing frameworks

Source

- Private investors (private equity, venture capital, real estate funds or impact investors) & crowdfunding models (donation, reward, equity, peer-supported loans, philanthropy)

Risk

- Shared risk but reduced control for the developer due to investor influence. Also, diversified portfolio-based investment models help hedge against economic downturns

Example

- Crowdfunding a community space via a platform while securing additional investment from impact-driven private investors in exchange for equity in the project, requiring a return on investment over time

Level 4

Public Funding and Grants

Characteristics

- Direct financial support for projects provided by public authorities to help realise projects that align with public goals. This must not be confused with public procurement which is a transactional arrangement in which a public authority contracts a supplier to deliver a predefined good or service (e.g. build a playground, provide maintenance)
- Lower risk for developers but involves administrative constraints
- Typically non-repayable but often requires co-financing

Source

- Municipal, national, or EU grants/programs, subsidies, and tax incentives

Risk

- Lower financial risk but often comes with regulatory requirements and project restrictions. EU-backed funds offer stable, long-term financing, even during market instability

Example

- A municipality provides funding for a developer building a net-zero energy housing complex

Level 5

Blended Finance (Mixed Funding Sources)

Characteristics:

- Highly flexible but requires advanced governance mechanisms
- Enables risk-sharing across multiple stakeholders
- Maximises sustainability and long-term community impact

Source:

- A combination of public, private, and philanthropic funds, green bonds, social impact bonds, and EU innovation funds

Risk:

- Complex coordination among stakeholders but diversified financial backing. Public guarantees de-risk private investments, counteracting high borrowing costs and investor hesitancy

Example:

- A city creates a revolving fund to support green retrofitting of heritage buildings. Seed capital comes from the municipal budget and an EU green urban development grant. A foundation contributes a philanthropic grant to cover advisory services. A local bank provides a loan facility, attracted by public risk guarantees. Property owners repay the loans over time, allowing the fund to finance future projects

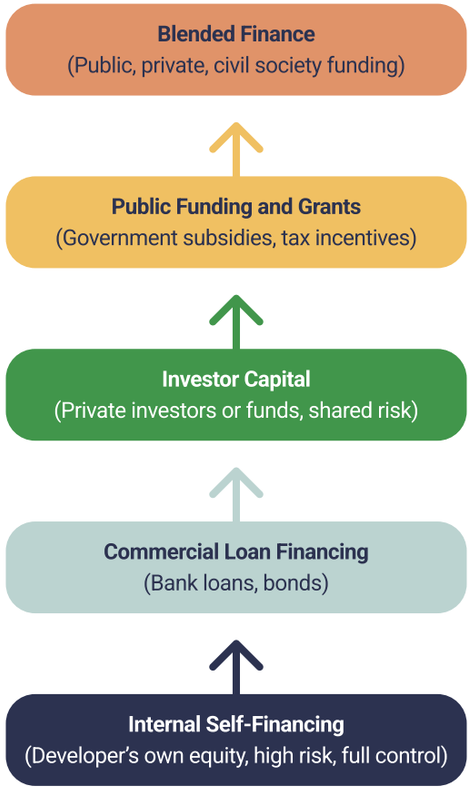


Figure 2 - The Financing Ladder. Source: Author.

These financial structures ensure that projects requiring long-term investment and societal alignment remain viable by distributing risk and diversifying funding sources.

The Relationship between Partnerships and Financing

Synergy of Partnership and Financing Ladders

→ Lower-tier partnerships (e.g. independent private initiatives) often rely on simpler financing mechanisms, such as self-financing or basic loans, providing speed and autonomy but limiting broad social impact.

→ As partnerships deepen (e.g. PPPs, triple partnerships), the need for more sophisticated financing grows. Blended finance structures and public guarantees become essential for balancing commercial viability with societal benefits.

→ The matrix framework (see 5.1.1 and 5.1.2) helps stakeholders match the appropriate partnership level to a corresponding financing solution, ensuring robust alignment with NEB's long-term sustainability and inclusiveness goals.

Governance and Risk Distribution

→ Enhanced collaboration enables risk-sharing across multiple actors, reducing financial exposure while expanding social and environmental value.

→ Complex governance models, such as public-private-people (PPP) partnerships, require advanced funding instruments that accommodate multiple stakeholders' objectives (e.g. philanthropic grants, green bonds, or EU support).

Strategic Decision-Making

→ Projects positioned on lower rungs may prioritise speed and control, whereas those higher up aim for transformative outcomes at the cost of increased coordination needs.

→ This 'laddered' approach allows each NEB-STAR initiative to tailor its partnership and financing design to its specific scale, objectives, and stakeholder composition.

Recommended Further Work with Financing and Partnership Models

Model Selection and Adaptation

→ Identify which partnership and financing models best suit each project, balancing local conditions with overarching NEB values.

→ Adapt blended finance options (e.g. revolving funds or green bonds) to mitigate high borrowing costs and ensure long-term financial stability.

Framework Development

→ Establish transparent governance mechanisms that align public, private, and civil-society priorities, integrating Arnstein's highest rungs of citizen participation where possible.

→ Refine criteria for evaluating project fit, focusing on measurable social impact, risk distribution, and stakeholder inclusiveness.

Pilot Initiatives

→ Launch demonstration projects under blended or triple-partnership frameworks to showcase how advanced collaboration and innovative financing can deliver NEB-aligned urban solutions.

→ Document lessons learned to inform replication, scale-up, and continuous refinement of both partnership and financing models.

Street art and nature in Stavanger.
Photographer: Han Vandevyvere

NEB-STAR Case Studies

To explore how financing and partnership models can support NEB-aligned urban transformation, the NEB-STAR project has examined a series of concrete cases across different contexts and scales. Rather than presenting all findings in a single chapter, we have structured into three appendices, each corresponding to a relevant work package or theme:

Site 4016 (Work Package 3) – Financial and Partnership Models for Urban Workshops

Deliverable D3.5[8] documents the development process, challenges, and emerging financing and partnership strategies for establishing a neighbourhood-oriented workshop/maker space at Site 4016 in Stavanger, a post-industrial area in Stavanger envisioned as a testing ground for inclusive and circular urban transformation. It explores hybrid models involving professional actors, private sector engagement, and civil society. A key milestone has been the co-creation of a meeting place (*Byggeplassen*) at the site — an outdoor structure designed and built through a collaborative effort involving upper secondary school students enrolled in the building and construction vocational programme, public sector (various stakeholders in the municipality and the county), professional actors, private sector stakeholders, and local organisations. The deliverable explores how this process served both as a physical and social prototype for the larger workshop initiative, helping to test partnership dynamics, resource-sharing models, and stakeholder engagement strategies. It also examines preliminary work on financial structures, including in-kind contributions, shared-use models, and emerging governance frameworks, aimed at making the future workshop accessible to both professional users and community members.

[8] https://nebstar.eu/reports/d3-5-financial-and-partnership-models-for-site-4016/

Pedersgata (Work Package 2): Jammerdalen – Testing the Community Investment District (CID) Model for Inclusive Urban Development

Deliverable D2.5[9] presents work carried out with the local stakeholder group engaged in shaping the vision and strategy for *Jammerdalen*, part of *Pedersgata* - a historically diverse and rapidly transforming street in Stavanger characterised by its mix of industrial heritage, creative activities, and development pressure. The focus has been on exploring and testing the Community Investment District (CID) model as a potential financing and partnership mechanism to anchor value locally and support inclusive regeneration. The deliverable documents how the model was tested in the *Jammerdalen* context, the key challenges encountered, and its potential for broader application in NEB-aligned urban transformation efforts.

Appendix: Overview of other NEB-Relevant Initiatives

A curated set of a number of case studies from Stavanger and beyond, covering both 'City-oriented' (physical space) and 'Citizen-oriented' (social innovation) projects. Each case includes a brief overview, a description of the financing and partnership models, and key lessons learned. The appendix includes examples such as *Ungt Entreprenørskap* and *Norge Unlimited* (both partners in NEB-STAR), *Consulatet*, *Pådriv*, *ByAuk*, *Fellesverkstedet*, and *Svankevigå*.

Together, these case studies provide a grounded and diverse picture of how NEB-STAR principles can be implemented through innovative financing and partnership models, and how these models play out in practice when confronted with real-world constraints and opportunities.

[9] https://nebstar.eu/reports/d2-5-financial-and-partnership-models-for-pedersgata/

Alignment with EU Funding Mechanisms and Investment Guidelines

Given rising interest rates and global economic instability, NEB-aligned projects must secure stable, long-term financing. The EU provides structured investment mechanisms, such as InvestEU guarantees and green municipal bonds, to counteract financial uncertainty and attract private capital even in high-risk environments.

The NEB-STAR Financial and Partnership Matrix is aligned with EU funding mechanisms and investment principles, ensuring that financing models support both policy objectives and real-world implementation.

Key alignments include:

- Integration with EU Cohesion Policy Funds, particularly the European Regional Development Fund (ERDF) and Cohesion Fund, which support sustainable urban projects
- InvestEU and blended finance models, which de-risk private investments through public guarantees. Such models will help reduce exposure to volatility (such as inflation), encourage continued investments, and thus ensure predictable capital availability for NEB projects
- Horizon Europe and NEB Demonstrators, which promote funding for innovation-driven urban development
- Sustainable Finance & ESG integration, linking financial models to impact measurement and reporting frameworks
- Investment Guidelines and Municipal Strategies, which emphasise public-private-civic collaboration

The matrix acts as a decision-making tool to:

- Guide due diligence for NEB-aligned investments.
- Support municipalities in attracting private capital.
- Facilitate cross-sector partnerships using risk-sharing financial structures.

By embedding these financing principles within the EU investment landscape, the matrix enables policymakers, investors, and urban planners to navigate funding opportunities efficiently.

Regeneration of the Nytorget neighbourhood in Stavanger.
Photographer: Han Vandevyvere

Container gym at Site 4016, resulting from Kvikktest agile piloting.
Photographer: Han Vandevyvere

How to Use the NEB-STAR Financial and Partnership Matrix

The NEB-STAR Financial and Partnership Matrix provides a structured framework for understanding and applying financing and partnership models in urban development. The matrix can serve as a structured methodology for decision-making in urban development financing and also as a practical tool for structuring effective partnerships and financing strategies.

By aligning investment logic with policy-driven financial instruments, the matrix helps stakeholders bridge the gap between private sector investment needs and long-term public objectives, and enables them to make informed decisions that align with NEB values and principles. This chapter can therefore serve as a core reference for stakeholders working on sustainable urban development, bridging the gap between theoretical models and real-world applications.

How different Stakeholders can Use the Matrix

Policymakers & Public Authorities

Facilitate targeted incentives
use the matrix to match regulatory tools (e.g. zoning flexibility, tax breaks, and subsidies) with private sector investment, ensuring projects align with sustainability and social inclusiveness goals.

Structure Public-Private Partnerships (PPPs)
identify which partnership level is appropriate for different urban development projects and how public finance mechanisms (e.g. grants, guarantees, and green bonds) can de-risk private investment.

Encourage blended finance solutions
design policy frameworks that attract impact investors and philanthropic contributions, ensuring that urban regeneration projects are both financially viable and publicly beneficial.

Leverage crowdfunding to mobilise grassroots funding
helping finance community-led urban projects, creative spaces, and sustainability initiatives.

Combine crowdfunding with municipal match-funding
some cities match community-raised funds to amplify impact and encourage local participation.

Use crowdfunding as an engagement tool
beyond financing, crowdfunding builds community trust and strengthens advocacy for inclusive development.

Developers & Private Sector Investors

Identify optimal financing structures
use the financing ladder to determine whether a project should be self-financed, investor-backed, or supported by public grants or subsidies.

Mitigate financial risk
The matrix clarifies which partnerships offer shared risk models, making it easier for developers to leverage public funding while maintaining profitability.

Enhance community buy-in & project legitimacy
by engaging in higher-level partnerships (triple partnerships, multi-sector collaborations), private actors can gain social legitimacy, improve permitting processes, and create long-term value beyond financial returns.

Use equity crowdfunding to raise impact-driven investment
engage small investors in real estate projects aligned with sustainability goals.

Explore loan-based crowdfunding as an alternative to bank loans
This can be particularly useful for small-scale urban projects with a social component.

Community Actors & Civil Society Organisations

Strengthen advocacy for inclusive development
the partnership matrix helps civil society groups understand where and how they can engage with public-private partnerships to influence decision-making.

Secure alternative funding
by leveraging philanthropic capital, impact investing, and crowdfunding, community-driven projects can secure new sources of funding beyond traditional government grants.

Ensure social sustainability
the matrix highlights how community-driven initiatives can be integrated into larger financing structures, ensuring that equity-focused, culture-driven, and environmental projects remain sustainable.

Leverage crowdfunding to mobilise grassroots funding
platforms like Kickstarter or GoFundMe help finance community-led urban projects, creative spaces, and sustainability initiatives.

Combine crowdfunding with municipal match-funding:
some cities match community-raised funds to amplify impact and encourage local participation.

Use crowdfunding as an engagement tool
beyond financing, crowdfunding builds community trust and strengthens advocacy for inclusive development.

To operationalise this framework, stakeholders should:

Map out financing strategies for key pilot projects using the matrix.

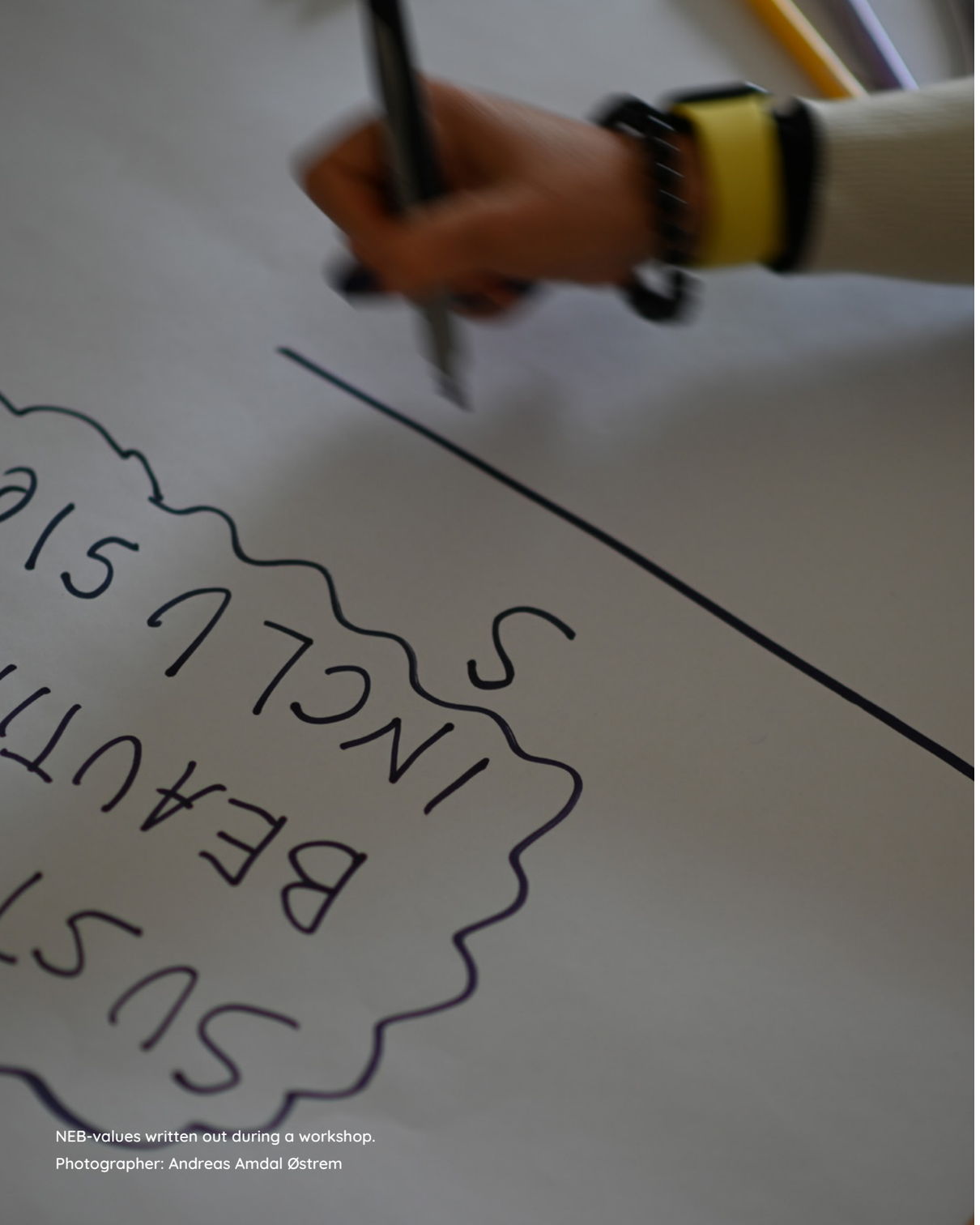
Establish policy recommendations that support blended finance and cross-sectoral partnerships.

Launch co-creation workshops to test partnership models and financing models with developers, municipalities, and community groups.

Strategic Impact of the Matrix

By directly linking investment logic with policy-driven financial tools, the NEB-STAR Financial and Partnership Matrix acts as a practical bridge between civil society's interests, private sector needs and public policy objectives. It provides:

- A structured decision-making framework for designing financing and partnership strategies.
- A tool to align financial models with the values of beautiful, sustainable, and together.
- A governance blueprint that ensures urban projects maximise social inclusiveness, environmental responsibility, and economic feasibility.



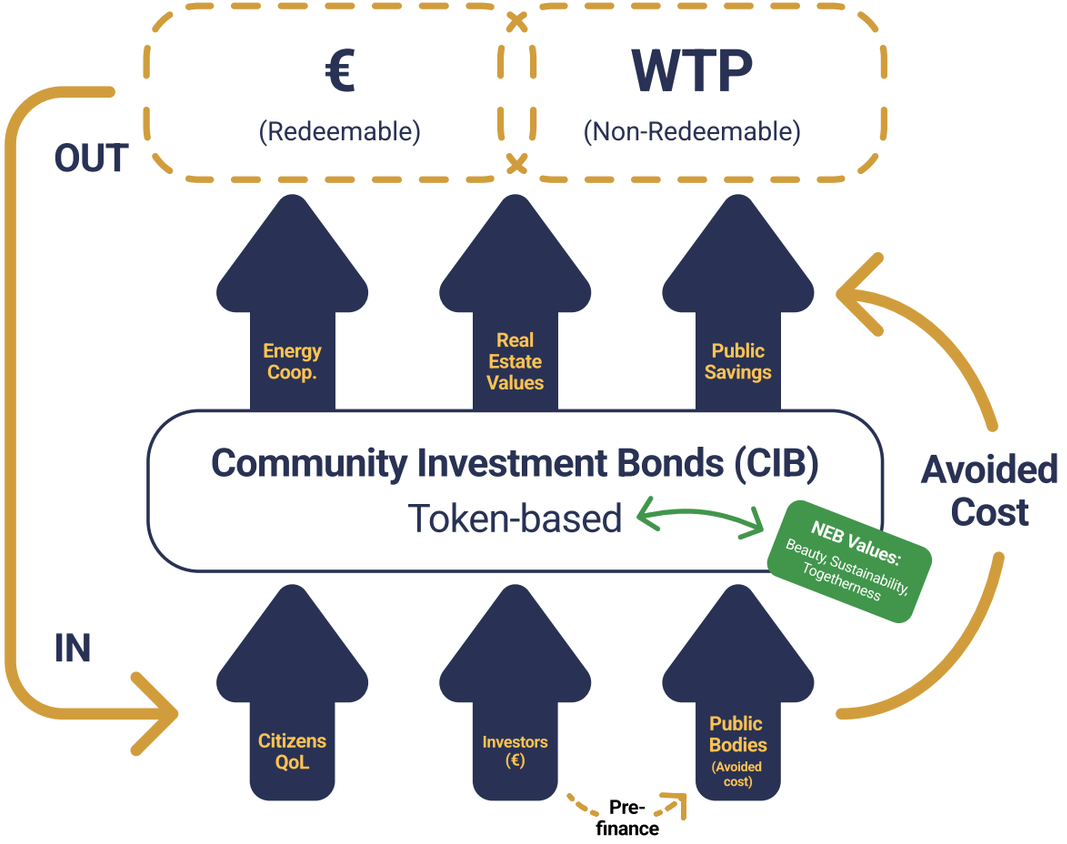
NEB-values written out during a workshop.
Photographer: Andreas Amdal Østrem

Cyclists in Utrecht.
Photographer: Andreas Amdal Østrem

Innovative Funding: Tokenisation as a Financing Model for NEB-aligned Projects

Tokenisation refers to the process of representing ownership of real-world assets as digital tokens on a blockchain, making them easier to divide, trade, and manage. First emerging in the cryptocurrency space with Ethereum in 2015, tokenisation has since evolved into an emerging digital financing model. It holds the potential to transform how cultural, sustainability-driven, and community-led urban projects are funded — by enabling broader participation, fractional ownership, and new forms of value creation through digital investment platforms.

This model increases liquidity, diversifies investment sources, and aligns long-term vision with flexible financial participation, making it a compelling tool for NEB-aligned urban transformation.



Alignment of community impact bonds and tokenisation in the context of NEB-STAR.
Source: Author

How Tokenisation Works

Tokenisation allows real estate or urban projects to be divided into smaller, tradable digital assets (tokens). These tokens can be bought and sold on blockchain-based investment platforms, creating a more accessible, liquid, and decentralised funding model.

Key Mechanisms of Tokenisation for NEB Projects

Fractional Ownership and Inclusive Investment

- Investors can purchase digital shares (tokens) in NEB-aligned projects, enabling both institutional and retail investors to participate in cultural and sustainability-driven urban transformations.
- Example: a historic district regeneration project could be tokenised, allowing both large-scale institutional investors and small-scale community members to own a stake in the development.

Smart Contracts for Governance and Revenue Distribution

- Smart contracts automatically execute investment agreements, profit-sharing mechanisms, and governance structures based on predefined conditions.
- Example: a zero-carbon affordable housing development could be funded through tokens, with returns distributed based on long-term sustainability milestones.

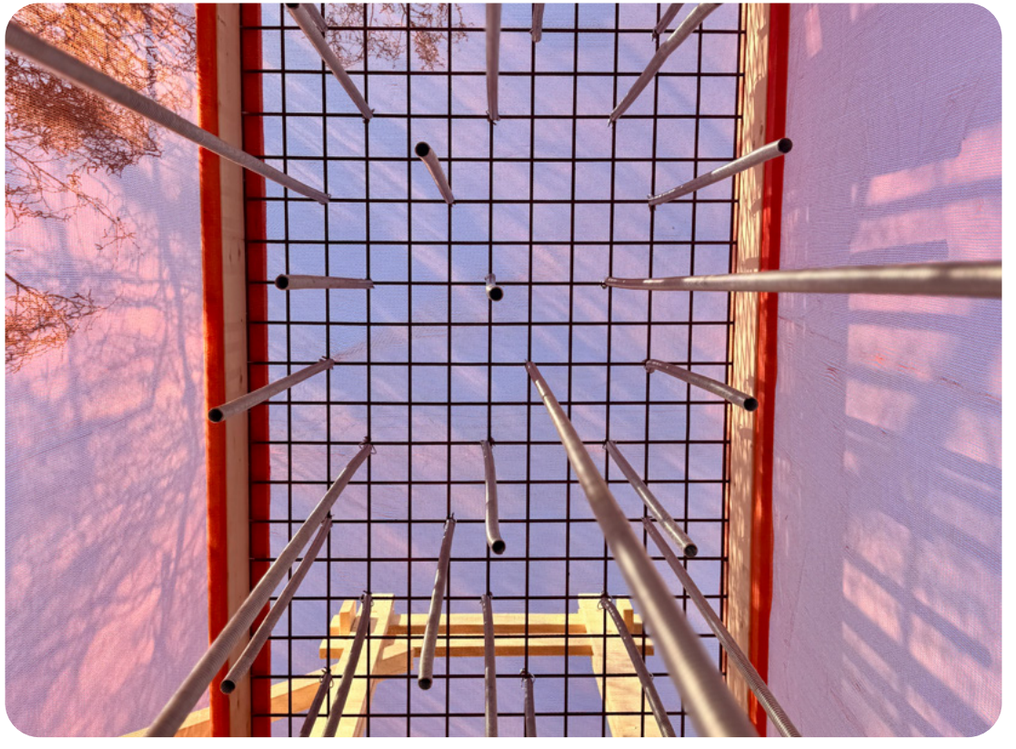
Improving Liquidity for Long-term Urban Investments

- Unlike traditional real estate investments that require long-term capital lock-ins, tokenisation allows investors to buy and sell their shares on digital marketplaces, creating liquidity for urban projects.
- Example: a public-private cultural center could issue tokens that allow investors to exit their positions without disrupting project funding.

Benefits of Tokenisation for NEB-aligned Projects

1. **Democratised Access to Investment** enables local residents, social impact investors, and global financial institutions to co-invest in sustainability-driven urban projects.
2. **Increased Liquidity and Flexibility** – investors can trade tokens without long-term lock-ins, making urban infrastructure and cultural projects more attractive to private capital.
3. **Smart Governance and Impact-linked Finance** – smart contracts tie financial returns to sustainability and cultural impact, ensuring that profit-driven goals align with NEB principles.
4. **Public-Private Alignment** – tokenisation bridges the funding gap between government-backed urban projects and private investment, creating scalable, inclusive financial structures.

View of Construction at Site 4016. Photographer: Siri Pedersen



Pilot Implementation Strategy

To test the feasibility of **tokenisation for NEB-aligned financing**, a structured pilot approach can be taken:

Step 1 Identify Suitable Pilot Projects

- Select projects that require long-term investment and community participation, such as regenerative cultural districts, affordable housing, or green infrastructure.
- Ensure that projects align with national or EU regulatory frameworks on digital assets and real estate tokenisation.

Step 2 Situate the Project in the NEB-STAR Financial and Partnership Matrix in order to Understand its Optimal Architecture

- Configure the combined financial and partnership structure using the matrix.
- Inquire how the resulting scheme interferes with requirements for tokenisation.

Step 3 Establish the Legal and Financial Framework

- Work with regulatory authorities to ensure compliance with EU and national securities laws.
- Develop a tokenisation structure that includes fractional ownership, impact-based returns, and investor governance rights.

Step 4 Design the Tokenisation Model

- Define the financial structure (equity tokens, revenue-sharing tokens, impact-linked tokens).
- Implement smart contracts for automated governance, funding disbursement, and compliance tracking.

Step 5 Launch on Digital Investment Platforms

- Partner with blockchain-based investment platforms to issue and manage digital tokens.
- Market the opportunity to impact investors, sustainability funds, and community stakeholders.

Step 6 Monitor, Adjust and Learn when Things Go Wrong

- Evaluate the pilot based on investment participation, liquidity performance, and impact realisation.
- Scale tokenisation across multiple NEB-aligned projects, integrating it with existing EU funding instruments.
- Even the best-planned tokenisation pilots can encounter unexpected hurdles. Common issues include low investor uptake, regulatory pushback, technology glitches, or weak stakeholder engagement. Instead of treating these as failures, a well-designed pilot treats them as opportunities to adapt, document lessons, and iterate. What to do when the pilot underperforms or fails?

Establish a 'fail-safe' learning loop from day one

- Build in structured debrief cycles: technical audits, stakeholder feedback loops, and public transparency reports.
- Define in advance what 'failure' looks like – e.g. under-subscription, token liquidity collapse, or legal roadblocks – and prepare mitigation protocols.

Create adaptive governance mechanisms

- Ensure your smart contracts and platform architecture allow for manual overrides, pauses, or reallocation if things go off course.
- Use advisory boards or steering groups with public, private, and citizen representation to assess next steps when issues arise.

Engage regulators and the public early and often

- If legal or ethical concerns surface (e.g. around speculative behaviour, transparency, or equity), pause and co-review the model with authorities and affected stakeholders.
- Communicate openly with token holders and the broader public to maintain trust, even when changes are needed.

Document lessons for future pilots

- Publish a clear, honest impact report, detailing outcomes and learnings alike.
- Share technical documentation to help other cities or actors avoid the same pitfalls.
- Propose improvements to the next round of tokenisation frameworks (whether legal, financial, or participatory).

Plan for graceful exits and remediation

- Include a contingency clause: what happens if the project must be shut down or radically restructured? How are investors compensated, and how can public trust be repaired?
- Consider reallocating unused tokens, refunding participants, or converting digital assets into other forms of value or participation (e.g. vouchers, memberships, civic credits).

Conclusion: Unlocking New Investment Pathways for NEB-aligned Projects

Tokenisation offers a groundbreaking financial model that can address liquidity constraints, investor risk aversion, and long-term funding challenges for NEB-aligned urban projects. By enabling fractional ownership, smart contracts, and digital trading of real estate assets, tokenisation creates a more inclusive and sustainable investment ecosystem.

To successfully integrate tokenisation into NEB financing strategies, a multi-stakeholder approach is required, involving municipalities, private investors, blockchain platforms, and EU regulatory bodies. By piloting this model in key urban transformation projects, tokenisation could become a mainstream funding mechanism, ensuring that sustainability, aesthetics, and inclusiveness remain central to urban investment strategies.

Impact model workshop.
Photographer: Siri Pedersen

Second-hand market at Nytorget,
Storhaug, Stavanger.
Photographer: Siri Pedersen

Chapter 05

Conclusion

The preceding chapters have examined the core challenges, proposed frameworks, and practical approaches for realising the NEB vision through the NEB-STAR project. From traditional financing mechanisms to innovative partnership models, this work underscores the value of synchronising long-term sustainability objectives with immediate urban development needs and community-driven aspirations. The dual focus on 'the City' (physical infrastructure) and 'the Citizens' (social innovation) has proven essential for addressing Europe's evolving urban challenges in a comprehensive, inclusive manner.

Dual Urban Focus

Sustainable urban transformation demands both infrastructural upgrades and vibrant social ecosystems. Large-scale projects thrive on structured financing (e.g. PPPs, institutional capital), whereas citizen-driven initiatives require flexible, often smaller-scale funding (e.g. grants, crowdfunding, or hybrid investments). Aligning these dimensions enables cities to balance economic growth, environmental sustainability, and cultural inclusiveness.

Bridging Partnership and Financing Gaps

Fragmented stakeholders, misaligned objectives, and limited risk-sharing instruments hinder NEB-aligned projects. Overcoming these challenges calls for multi-stakeholder governance structures (e.g. City Improvement Districts) along with advanced financial tools (e.g. blended finance, impact-linked investments) that de-risk ventures while safeguarding public interests.

The NEB-STAR Matrix

A key outcome of this work is the Financial and Partnership Matrix, which systematically maps out

- **Partnership Levels:** from minimal collaboration (e.g. private or public standalone initiatives) to triple partnerships (PPPP), ensuring broad civic participation.
- **Financing Tiers:** from self-financing or basic debt instruments to complex blended models, tying capital inflows to social and environmental returns.

This framework provides a roadmap for matching partnership depth with suitable financing strategies, ensuring project scalability, risk sharing, and social equity.

Innovative Tools and Local Resilience

Tokenisation, risk guarantees, participatory budgets, and local reinvestment principles (e.g. 'keep money in the local loop') illustrate how emerging financial mechanisms can bolster NEB-aligned initiatives. Such approaches reduce reliance on global markets, enhance investor confidence, and integrate communities into decision-making and value-sharing processes.

Implications for Policymakers and Practitioners

- **Policy:** Align municipal, national, and EU instruments to reward cultural, social, and environmental impact. Simplify governance structures to cut transaction costs and foster inclusive planning.
- **Practice:** Embed capacity-building for civil society and SMEs, develop transparent governance frameworks, and adopt advanced financing schemes (e.g. green bonds, social impact bonds, PPPPs).
- **Future Work:** Refine partnership prototypes in live testbeds, deepen longitudinal data collection for robust evaluation, and scale pilot initiatives (e.g. tokenisation) to validate transformative urban outcomes.

By weaving together structured financing, inclusive partnerships, and strategic policy alignment, NEB-STAR provides a template for rethinking urban investment across Europe. Ultimately, the project's combined focus on physical infrastructure and citizen-driven innovation lays a foundation for cities that are not only prosperous, but also sustainable, equitable, and culturally vibrant.

The first workshop planning the Site 4016 intervention. Photographer: Siri Pedersen

References

Abuzeinab, A., & Arif, M. (2014). Stakeholder Engagement: A Green Business Model Indicator. Procedia Economics and Finance, 18, 505–512. https://doi.org/10.1016/s2212-5671(14)00969-1

Arnstein, S. R. (1969). A Ladder of Citizen Participation. Journal of the American Planning Association, 85(1), 24–34. https://doi.org/10.1080/01944363.2018.1559388

Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same, Different, or Both? Entrepreneurship Theory and Practice, 30(1). https://journals.sage-pub.com/doi/10.1111/j.1540-6520.2006.00107.x

Barbier, E. B., & Markandya, A. (2013). A New Blueprint for a Green Economy. Routledge.

Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: Tapping the right crowd. Journal of Business Venturing, 29(5), 585–609. https://doi.org/10.1016/j.jbusvent.2013.07.003

Benedikter, R. (2011). Social Banking and Social Finance. Springer New York. https://doi.org/10.1007/978-1-4419-7774-8

Bornstein, D. D. S. (2010). Social Entrepreneurship: What Everyone Needs to Know®. Oxford University Press.

Borzaga, C., & Defourny, J. (2001). The Emergence of Social Enterprise. Routledge.

Bryson, J. M. ., Crosby, B. C. ., & Middleton Stone, M. (2006, December). Design and Implementation of Cross-Sector Collaboration 45. Public Administration Review, Special issue. https://doi.org/10.1111/j.1540-6210.2006.00665.x

Bugg-Levine, A., & Emerson, J. (2011). Impact Investing: Transforming How We Make Money while Making a Difference. Innovations: Technology, Governance, Globalization, 3(6). https://doi.org/10.1162/INOV_a_00077

Carayannis, E. G., & Campbell, D. F. J. (2012). Mode 3 Knowledge Production in Quadruple Helix Innovation Systems. Springer. http://www.springer.com/series/8860

Castellas, E., Findlay, S., & Addis, R. (2016). BENCHMARKING IMPACT: Australian Impact Investment Activity and Performance Report 2016.

CBS. (2018). Brede Welvaart Monitor 2018. www.cbs.nl

Cheng, B., Ioannou, I., & Serafeim, G. (2014). Corporate social responsibility and access to finance. Strategic Management Journal, 35(1), 1–23. https://doi.org/10.1002/smj.2131

City of New York, & Bloomberg, M. R. (2011). VISION 2020: NEW YORK CITY COMPREHENSIVE WATERFRONT PLAN. www.nyc.gov/waterfront

Clark, G. L., Feiner, A., & Viehs, M. (2015). From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance. Oxford University. http://ssrn.com/abstract=2508281 HOW SUSTAINABILITY CAN DRIVE FINANCIAL OUTPERFORMANCE Electronic copy available at: https://ssrn.com/abstract=2508281

Clark, T., Foster, L., Sloan, L., & Bryman, A. (2021). Bryman's social research methods. Oxford University Press.

Dees, J. G. (1998). The Meaning of "Social Entrepreneurship."

Desmet, M. (2013). Bruto nationaal geluk. Laano.

Edmans, A. (2011). Does the stock market fully value intangibles? Employee satisfaction and equity prices. Journal of Financial Economics, 101(3), 621–640. https://doi.org/10.1016/j.jfineco.2011.03.021

Elkington, J. (1997). Cannibals With Forks: The Triple Bottom Line of 21st Century Business.

European Comission. (2012). COMMISSION STAFF WORKING DOCUMENT Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund ANNEXES 2/43.

European Comission. (2014). A map of social enterprises and their eco-systems in Europe. Publications Office.

European Comission. (2019). European Green Deal.

European Comission. (2020). Taxonomy: Final report of the Technical Expert Group on Sustainable Finance.

European Comission. (2021a). Commission Notice on the InvestEU Programme climate and environmental tracking guidance.

European Comission. (2021b). European Climate Law. SUMMARY OF: Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law'). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:4536626&print=true

European Comission. (2024). NEB Investment Guidelines.

Fransen, Lieve., Del Bufalo, Gino., & Reviglio, Edoardo. (2018). Boosting investment in social infrastructure in Europe : report of the High-Level Task Force on Investing in Social Infrastructure in Europe. Publications Office of the European Union.

Goodman, M. S., Sanders Thompson, V. L., & Ackermann, N. (2021). Creating a Survey of Community Engagement in Research. https://doi.org/10.25302/10.2021.ME.151133027

Healey, P. (2003). Collaborative planning in perspective. Planning Theory, 101–123.

Healey, P. (2006). Urban Complexity and Spatial Strategies. Routledge. https://doi.org/10.4324/9780203099414

International Energy Agency. (2019). 2019 Global Status Report for Buildings and Construction. www.iea.org

Jacobs, J. (1961). The death and life of great American cities. Randm House.

Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. Journal of World Business, 41(1), 36–44. https://doi.org/10.1016/j.jwb.2005.09.002

Mutambatsere, E., & Schellekens, P. (2020). Recommendations to Strengthen the Rationale for and Efficient Use of Concessional Resources in Development Finance Institutions' (DFI) Operations THE WHY AND HOW OF BLENDED FINANCE.

Nicholls, A. (2006). Social Entrepreneurship: New Models of Sustainable Social Change. Oxford Academic.

OECD. (2019a). Financing Climate Futures. OECD Publishing.

OECD. (2019b). Financing Climate Futures. OECD Publishing. https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/11/financing-climate-futures_g1g99369/9789264308114-en.pdf

OECD. (2025). Global Outlook on Financing for Sustainable Development 2025. OECD Publishing. https://doi.org/10.1787/753d5368-en

Porter, M. E., & Kramer, M. R. (2011). Creating Shared Value. Harvard Business School. https://hbr.org/2011/01/the-big-idea-creating-shared-value

Smith, B. R., Feldman Barr, T., Barbosa, S. D., & Kickul, J. R. (2008). SOCIAL ENTREPRENEURSHIP: A GROUNDED LEARNING APPROACH TO SOCIAL VALUE CREATION. In Journal of Enterprising Culture (Vol. 16, Issue 4). www.worldscientific.com

Social Value International. (2020a). The Principles of Social Value, and why they are important for accountability and maximising social value.

Social Value International. (2020b). The Principles of Social Value, and why they are important for accountability and maximising social value.

Social Value International. (2021). The Principles of Social Value.

Steen, M., & Koning, N. de. (2011). Benefits of Co-design in Service Design Projects Article in International Journal of Design. In International Journal of Design (Vol. 5, Issue 2). www.ijdesign.org

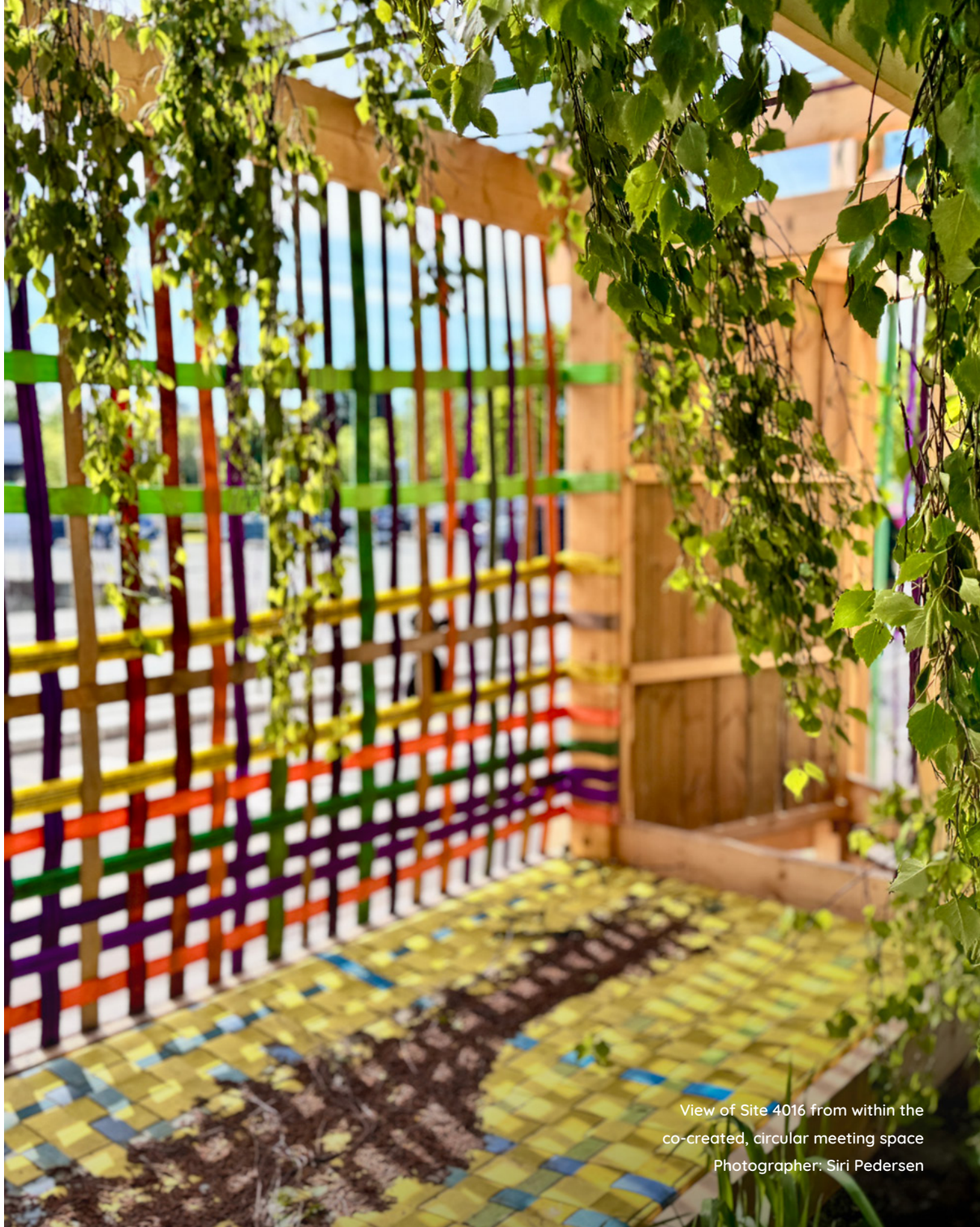
Stiglitz, J. E., Sen, A., & Fitoussi, J.-P. (2009). Report by the Commission on the Measurement of Economic Performance and Social Progress. www.stiglitz-sen-fitoussi.fr

UN-Habitat. (2009). Guide to Municipal Finance. Human Settlements Finance Tools and Best Practices, 1–90. http://www.citiesalliance.org/sites/citiesalliance.org/files/UNH_Guide_Municipal_Finance.pdf

UN-HABITAT. (2020). Financing Sustainable Urban Development. https://unhabitat.org/online-reports/financing-sustainable-urban-development

Weber, C., & Kratzer, J. (2013). Social entrepreneurship, social networks and social value creation: a quantitative analysis among social entrepreneurs. In Int. J. Entrepreneurial Venturing (Vol. 5, Issue 3).

Yin, R. K. (2018). Case Study Research and Applications. Sixth Edition.



View of Site 4016 from within the co-created, circular meeting space
Photographer: Siri Pedersen

NEB-STAR | NEW EUROPEAN BAUHAUS STAVANGER

Website: www.nebstar.eu

Instagram: @nebstavanger

LinkedIn: @NEB-STAR